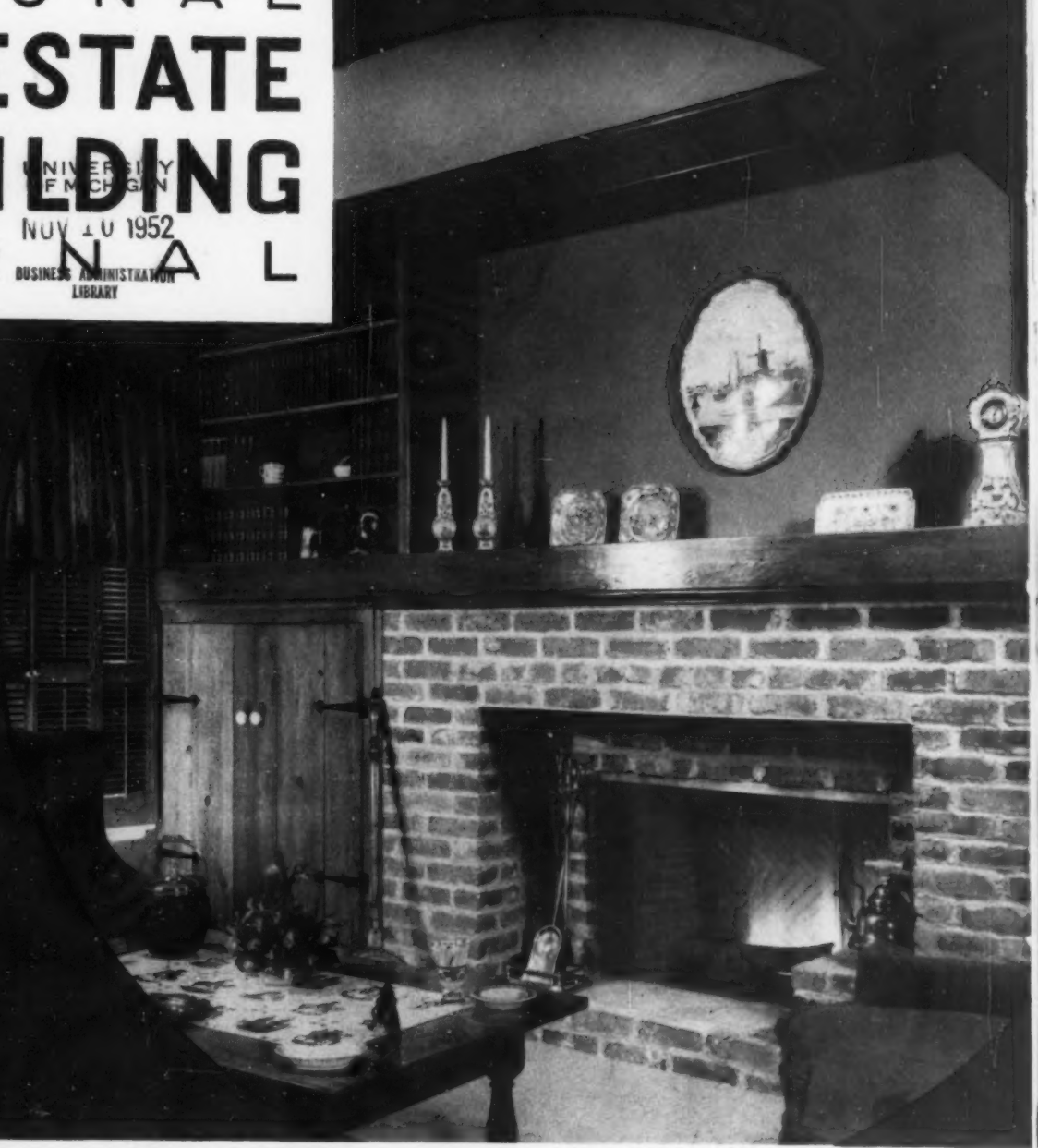


# NATIONAL REAL ESTATE and BUILDING JOURNAL

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We Ask Rent Director Henderson 13 Questions  
Air Conditioning — Every Buy Before Your Eyes  
Working Papers For Closing Sales

**NOVEMBER**  
★  
**1952**

# BREWSTER MANOR HOMES FEATURE RUSCO Galvanized Steel PRIME WINDOWS

**BREWSTER Manor** *Living... In Country Style*

R.F.D. #1 HICKSVILLE, N. Y. HICKSVILLE 5-3702-A

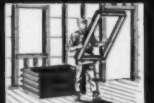
Every prospect for a new home wants the best he can afford. In our split-level Brewster Manor Homes and our popular-priced Knickerbocker Homes we are providing for every creature comfort -- every modern desire for better, easier living. Rusco galvanized steel Prime Windows embody the features that meet our rigid specifications. With Rusco Prime Windows we can offer both a prime window and a companion insulating window in one permanently installed unit.

Features such as Magicpanel Ventilation, no screens or storm sash to change, glass and screen panels which are removable from the inside, are tremendously popular conveniences that help clinch many a sale. Without any qualification whatsoever, we wholeheartedly recommend Rusco Prime Windows as a must for modern home living today.

*Lee Schoenfeld*  
LEE SCHOENFELD

*Alexander Muss*  
ALEXANDER MUSS

Completely Installed  
in as little as  
5 minutes!



1, Rusco Prime Window, with glass and screen panels removed, is taken from stockpile...



2...placed in stud opening and plumbed...



3...nailed to studs...



4...Glass and screen panels slipped into slides



5...and in less than 5 minutes the fully-installed window is ready for service!

## A Fully Pre-Assembled Window Unit

Factory-Painted, Hardware Attached —  
All Ready to Install in Window Opening!

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INSULATING SASH\* • WOOD OR METAL CASING  
... OR STEEL FINIS**

\*OPTIONAL

Glass and Screen Inserts easily removed from inside for convenience in cleaning. The Rusco removable sash feature has tremendous appeal as a convenience and safety feature.



# RUSCO

Galvanized  
Steel

# PRIME WINDOW

VERTICAL SLIDE

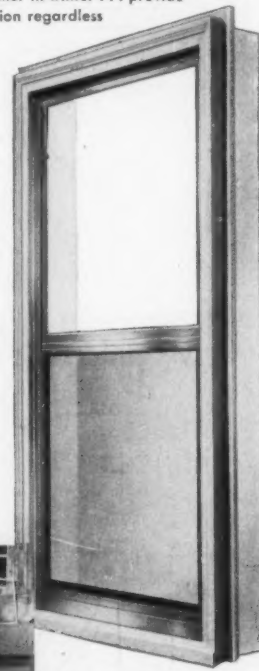
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CLEVELAND 1, OHIO • DEPT. 7 NR-112  
IN CANADA: TORONTO 13, ONTARIO

**HICKSVILLE, LONG ISLAND, BUILDER  
SAYS: "We Wholeheartedly Rec-  
ommend Rusco Prime Windows As  
Best For The Home Of Today"...**



Rusco Prime Windows with insulating sash keep Brewster Manor homes cooler in summer, warmer in winter... provide rainproof, draft-free ventilation regardless of weather or season.



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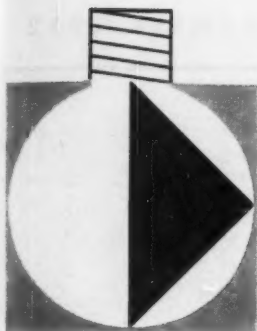
"You no doubt like to hear what results articles appearing in your magazine bring to its readers.

"This is to inform you that an article entitled 'Classified Ads' that appeared in your October issue, 1950, resulted in my attaining honorable mention at a Classified Ad Contest sponsored by the New York Times at the 28th Annual Convention of the Connecticut Association of Real Estate Boards, held earlier this year at the Hotel Taft, New Haven.

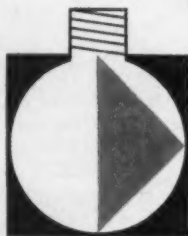
"This letter is a small way of saying 'Thanks' to your magazine in making this possible."

LARRY D. SULLIVAN  
Mystic, Connecticut





*as fundamental as  
built-in cabinetwork...*



*A good house  
is always better  
when it includes  
conduit for  
telephone raceways*

Built-in features—from bookcases to breakfast nooks—are sales features, too, in the homes you build these days. And that applies to built-in telephone facilities and concealed telephone wiring.

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**BELL TELEPHONE SYSTEM**



# NATIONAL REAL ESTATE and BUILDING JOURNAL

## CONTENTS

From Journal Readers .....	6	Working Papers for Closing Sales By E. H. Welter .....	28
Product Progress .....	12	Below-Price Offers .....	30
The Law Says By George F. Anderson .....	14	Drama in Doors .....	31
Editorial .....	17	Meeting Today's Management Prob- lems (Part II) By A. T. Beckwith .....	32
We Ask Rent Director Henderson 13 Questions .....	18	How We Sold the Empire By Charles F. Noyes .....	34
Every Buy Before Your Eyes .....	20	Stowaways for Prospect Appeal .....	37
Air Conditioning . . . Potent Sales Feature and Cost Cutter .....	22	Make Your Advertising Pay By Roger C. Perry .....	38
Think Your Way to Sales By Earl B. Teckemeyer .....	25	TV System for Apartments By Leo S. Herzog .....	39
The Home — Stability in the Midst of Change By Benjamin F. Wright .....	27	Among Ourselves .....	42

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Cover Photo by Robert C. Cleveland

## THE JOURNAL REPORTS



### Relaxation of Materials Controls in Sight

Those of you who are planning housing projects for next Spring may do preliminary planning and place advance orders with suppliers for controlled materials. A new Direction 8 to Revised CMP Regulation 6, the basic construction order, was issued last month providing for the relaxation on May 1, 1953, of construction regulations which will increase amounts of controlled materials that may be self-authorized for commercial and most other types of construction.

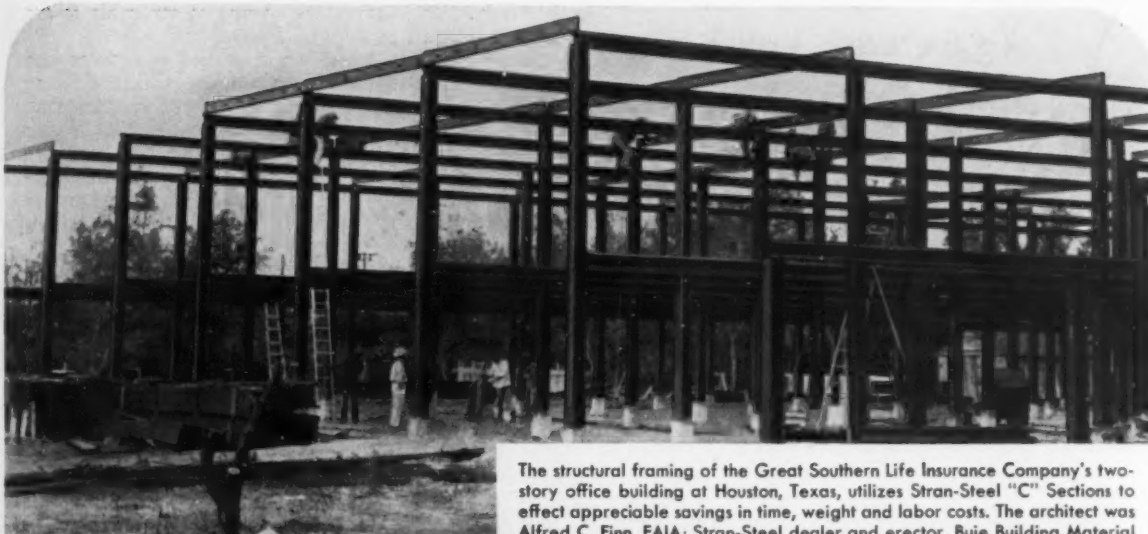
The relaxation had been scheduled for April 1, but the steel scarcity resulting from the prolonged strike made NPA cautious.

In another action, NPA Order M-100 was revoked and its provisions incorporated into Direction 8. For one-through-four family houses the quantities per dwelling unit that may be self-authorized starting

May 1 are: 1,500 pounds of structural steel; 275 pounds of aluminum, 200 pounds of copper, and 2,300 pounds of carbon steel — for homes with steel pipe water distribution systems — and 275 pounds of aluminum, 400 pounds of copper, and 1,950 pounds of carbon steel for homes with copper pipe water distribution systems. The present extra copper allowance for forced hot water heating and radiant heating are continued unchanged.

### Supply and Demand — a Forgotten Law?

The talk finally got around to the supply of housing. And there was a loud "Humpf" when some unsuspecting intruder asserted that a shortage of housing still existed. It was at a meeting of the nation's apartment owners in Cleveland last month . . . and the property owners knew what they were talking about. Rent controls had been removed in many of

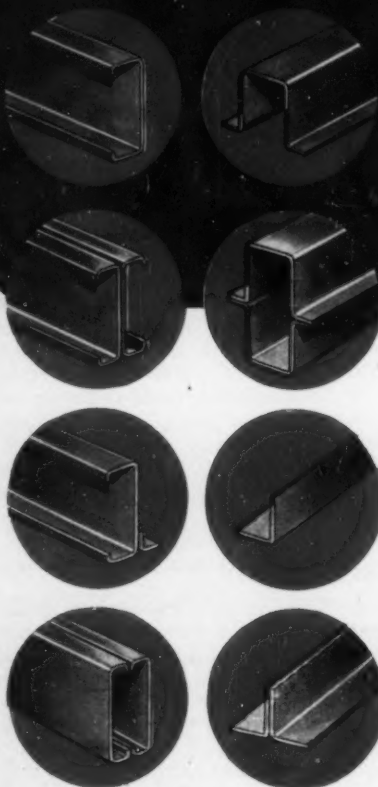


The structural framing of the Great Southern Life Insurance Company's two-story office building at Houston, Texas, utilizes Stran-Steel "C" Sections to effect appreciable savings in time, weight and labor costs. The architect was Alfred C. Finn, FAIA; Stran-Steel dealer and erector, Buie Building Material Co.; and the contractor, Manhattan Construction Co., all of Houston.

Here's new economy for buildings framed with steel

# Stran-Steel®

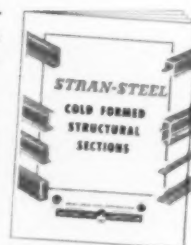
## COLD FORMED STRUCTURAL SECTIONS



Stran-Steel Cold-Formed Structural Sections bring a new dimension of economy within the reach of designers and engineers. Manufactured from strip steel, in a variety of shapes, sizes and gages, they may be used in different combinations for almost any building design. Because of their high strength-to-weight ratio, Stran-Steel Structural Sections bring worthwhile savings in the cost of completed structures.

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**WRITE FOR THIS NEW BOOKLET.** It gives complete engineering data on Stran-Steel Cold-Formed Structural Sections, plus a typical example of the economy possible with this modern building material.



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their areas, and they were having to scramble to get tenants . . . just as they had predicted.

Bruce Holman, a California realtor who owns and manages apartments in Alameda, Oakland, and Berkeley, said rent decontrol there sent vacancies up from 1,500 to 5,000 in his area alone. Realtor Everett L. Curtiss, Oklahoma City, said, "I've cut back my rents to win tenants." And others at the conference agreed. They cited big modernization plans, more and better tenant services, rent reductions — all in the wake of rent decontrol.

Realtor W. W. Russell, owner of some 500 suites in the Boston area, summed it up this way, "When a tenant is faced with a rent increase in a free market, he simply will move into a cheaper apartment. With growing vacancies, the owner will be forced to bring his price down. It's the old law of supply and demand."

Other rental property owners said that was just what was happening. Office girls occupying apartments alone were doubling up with girl friends. Elderly couples, when possible, were moving from large apartments to smaller quarters. People who could have afforded a home of their own but were sticking to an apartment because of a "good deal" were out house-hunting.

## Greene Spurns Request for Rate Increases

Walter L. Greene, FHA boss, foresees "no change in FHA maximum interest rates during the present calendar year." He says FHA is interested only in an effective rate, "whatever that rate might be."

That was the government's answer to the Mortgage Bankers Association's request for higher interest rates on FHA loans. The request was made at the MBA convention in Chicago last month. MBA officials say both FHA and VA rates must be increased to 4½% to make mortgage loans as attractive to investors as other types of securities.

Also, MBA adopted a resolution asking the Veterans Administration to take a forthright approach in solving the veteran's problem of finding funds "by giving an effective rate on VA mortgages." The VA was accused of failing to recognize that the present guaranteed rate of 4% is too low in today's market.

The truth of this accusation is shown by a recent NAREB survey on the supply of funds available for VA-guaranteed mortgages on single-family houses. It reveals that only 3.9% of the communities surveyed reported an adequate supply of such funds at the end of August. At the end of May 11.4% had reported an adequate supply.

## Promotion Boosts Industry

Believing that the building industry needs to awaken people to the true value of today's new homes, National Homes Corporation of Lafayette, Indiana, prefabricated home manufacturer, is staging a huge advertising campaign to convince the American people that the industry is providing comfortable, livable homes at a fair price.

With an advertising program costing several million dollars, National Homes last month placed ads in 11 national consumer magazines reaching a total of 30 million people. Full-page ads appeared in 192 metropolitan newspapers throughout the nation. This effort is helpful to prefabricated home manufacturers and project builders alike, and will do much to promote the cause of the industry.

Here's the new

## AMERICAN-Standard Radiator Heating Catalogue

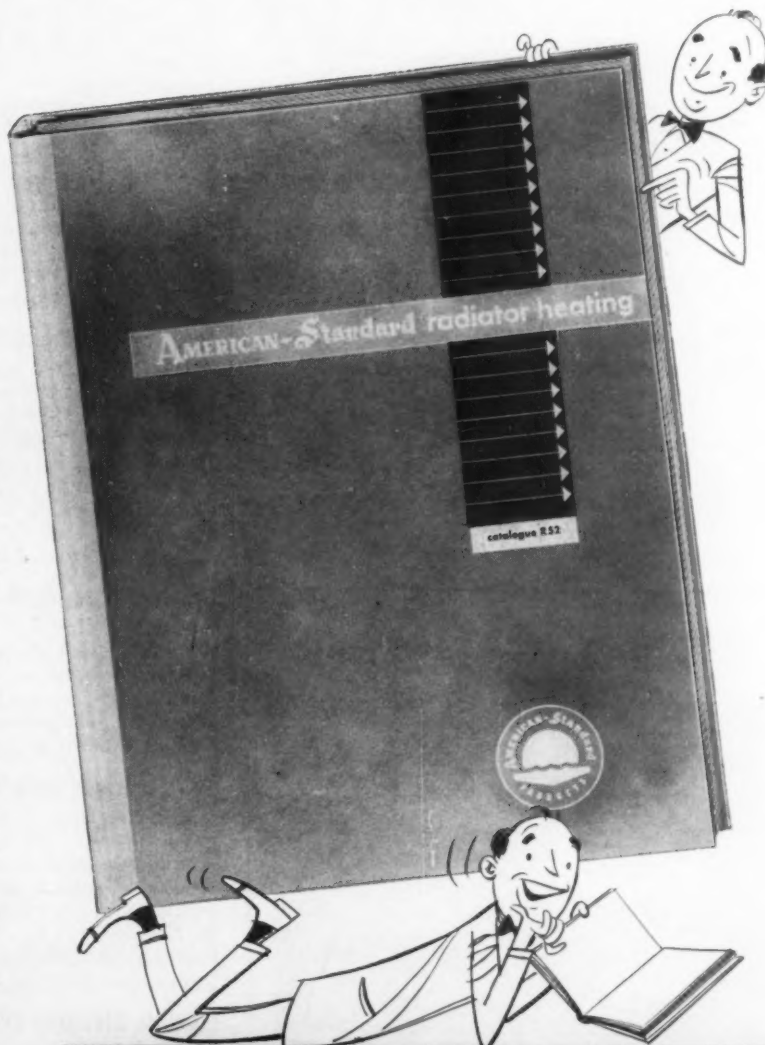
... the easy way to get accurate product information in a hurry!

THE new 202-page American-Standard Radiator Heating Catalogue R52—companion piece of the award-winning Warm Air Heating Catalogue—is so efficiently arranged that a flick of the finger will disclose full information on any American-Standard radiator heating product.

Since all allied material—such as dimensions, ratings, construction details and illustrations—is always located in the same place on the pages describing respective models, you can compare the models and select the *right* equipment for virtually any job in a matter of seconds.

The compact catalogue contains the latest and most comprehensive information on the complete line of American-Standard boilers, base-board panels, convectors, convector cabinets, radiators, conversion burners, water heaters, heating accessories, and controls. A 24-page engineering section provides useful installation and application data.

For your copy of the new catalogue, and for product information on any American-Standard products, contact the American-Standard sales office serving you . . . soon.



# AMERICAN-Standard

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NATIONAL REAL ESTATE AND BUILDING JOURNAL — November, 1952



*Pollman Homes*  
by **THYER**

OFFER CONSTANT IMPROVEMENT IN A CONVENTIONAL  
HOME FACTORY ASSEMBLED



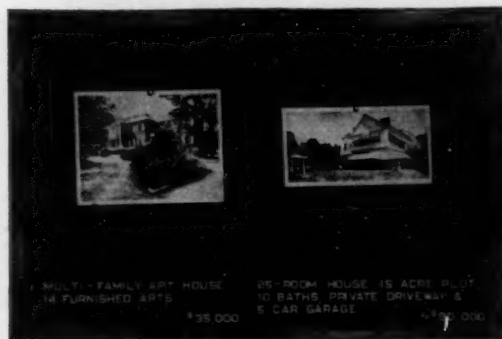
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NEW YORK 3, N. Y.  
★ **BULLETIN COMPANY**

## Product Progress

### Heating System Installed Like Wiring

Swenson Thermal Research, Inc., Cleveland, announces a new concept in heating systems for homes and commercial buildings. The system operates from a super-insulated steam boiler placed anywhere in the structure. It uses low-cost, small diameter copper tubing for steam and condensate return which is installed like house wiring from boiler to individual Swenco heater units in each room.

### New Room Air Conditioner Models

Now in production are Carrier Corporation's new 1953 models of room air conditioners. The manufacturers say the complete line is more versatile in performance, installation, appearance, and in models offered than the 1952 line. Eight models are available ranging from 1/3 to 1 1/2 horsepower in window or console types, standard or deluxe.

### Small Homes Council Instruction Sheets

Instructions for building two of its recent developments — the "W" roof truss and the closet-wall — have been issued by the University of Illinois Small Homes Council. The sheet for the "W" truss, having a span 20 3/4 feet to 32 3/4 feet, gives cutting diagrams, nailing schedule, design data plus 23 sketches on how to build the truss. The closet-wall sheet shows basic closet units and their construction from thin-wall panels of laminated hardboard and gypsum.

### American-Standard Ventilating Fan

A ventilating fan has been added to American-Standard's line of equipment. Called Aeropel, the fan is controlled by a pendant and switchchain and is driven by an enclosed motor. Certified rating is 400 cubic feet per minute. It mounts through the wall with a white plastic grill showing on the inside.

### New Amweld Interlocking Steel Door Frame

The American Welding and Manufacturing Company, Warren, Ohio, announces the addition of a knockdown steel door frame to its line of building products. Similar in appearance to the company's regular one-piece frame, the new design takes 1/5 the storage space, costs less to ship, and is easier transported to the job site, according to the manufacturers. Assembly on the job requires only one man.

### Flexible Blending Chamber for Heating Systems

Coleman Company of Wichita has developed a glass fiber blending chamber for its Blend-Air systems. According to the manufacturers it is superior to steel because of its sound-absorbing and self-insulating character and the fact that it cannot rust out. The blender replaces the conventional register, mixing high temperature, high velocity air from the furnace with room air.

### Metal Corner Bead for Gypsum Wallboard

U. S. Gypsum Company of Chicago is manufacturing a metal corner bead for reinforcing outside corner angles, uncased door and window openings, pilasters, beams, and soffits. It consists of a metal bead with

(Please turn to page 41)



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What are the minimum requirements of a contract?  
What are the requirements of a valid quitclaim deed? — warranty deed? — deed of bargain and sale? — deed in blank?  
How do courts determine what are fixtures and what are not?  
Who may remove fixture, and under what conditions?  
What matters must be attended to before closing a real estate deal? What credits are due to the seller? to the buyer?  
What are the restrictions that will render a title unmarketable?  
What precautions should a seller take to protect himself against rejection of the title by the buyer?

The unusually broad coverage of this book makes it the most comprehensive work of its kind ever published. You should have a copy to help you answer those knotty questions that come up in the day-to-day handling of your business.

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# THE LAW SAYS!

By GEORGE F. ANDERSON, Legal Editor

A LAWYER signed a contract to buy a three flat building paying \$500.00 earnest money. The next day he regretted it, realizing that he was paying too much money for the property, but a contract is a contract, and a lawyer knows it. The lawyer knew his way around, and sat down to hope against hope that the seller would not furnish a Report of Title in time. Maybe he also prayed, but I doubt it. If he had I don't know whose side God would have been with. But his hope came out true. Twenty days elapsed and no report of title. The seller no doubt thought what's a day more or less. But in law a day is a day, and time flies, and thirty days evaporated, and the lawyer wrote that "in view of your failure to comply with the tract, please return the earnest money." The seller did. He had to. Like the man about to be hanged. He said, "This will teach me a valuable lesson."

I hope it will teach you one. The broker got his commission, as he well ought. They all said, "The law is strange."

SUPPOSING you draft a deed, using the warranty deed form, but you add after the words "convey and warrant" the phrase "all his right title and interest," would you have a warranty deed or a quit claim deed?

The question is answered by a quote from the case of *Habig vs. Dodge*, 127 Ind. 31: "The general proposition is abundantly maintained that a deed of release or quit claim, or a conveyance of the "right, title and interest" of the grantor, even though it be with full covenant of warranty, without designating in the instrument any particular estate, either as owned 'by the grantor or as conveyed by the deed' operates simply to transfer whatever interest the grantor may have had at the time.

. . . The addition of covenant of warranty does not enlarge the granting clause in the deed, the general rule being that the covenants are restrained by, and are only co-extensive with, the granting clause."

Observe the words "without designating in the instrument any particular estate." In other words if the deed stated "intending hereby to convey any interest that grantor may inherit upon the death of his father" that would change apropos of such words the court said: "Turning to the deed in question, by fair implication it appears upon the face of the instrument that the grantor assumed to convey and warrant the title to a reversionary interest equal to the undivided one third of the real estate previously set off to the widow. It is evident that the parties dealt upon the footing that the grantor bargained and sold and that the grantee acquired by the deed a one-third interest in the land in dispute, subject to the estate, or supposed estate, of the widow. In equity and good conscience the grantor and all those claiming through him should now be estopped to assert the contrary."

WHEN a client comes into your office and wishes to convey his property to a child or some one else, but to retain a life estate, you draft a quit claim deed, and you state in the habendum: "Reserving an estate in the grantor, for and during his natural life, without impeachment for waste."

(Please turn to page 40)



**Today's Best Buy!**

**FOR BUILT-INS**

The "sold" sign goes up faster when you feature plywood built-ins in your homes. Big, low-cost real wood panels give you complete flexibility of design, size and color. No bothersome juggling of "stock" units . . . no complicated framing. Plywood saves time and labor. Ideal for modern color treatments that feature real wood texture. It's splitproof, puncture-proof. Best for any built-in. And remember, when you add up all the costs, practical plywood out-values them all.

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**Douglas Fir Plywood**

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## Starting in December

An open forum on real estate and home building law, moderated by Mr. Anderson, will appear in the JOURNAL beginning with the December issue. You are invited to send in your legal questions and problems to Mr. Anderson in care of the JOURNAL. All letters must be signed. Answers will appear in future issues.

THE EDITORS

## PERFORMANCE .....

**T**IME and again, in our travels around the country, we come across the misguided idea that real estate executives are just "traders," that being in the real estate business requires little more than knowing a lot of people and being capable of talking them into something. It's just a matter of listing and selling property . . . or so some people think.

Much has been done to correct this impression — by national organizations and real estate people themselves. Much more needs to be done.

Certainly most of the members of our industry do list and sell property. That, after all, is the basis of the real estate business. But they do more than that . . . much more.

Today's real estate executive is a combination of things. Certainly he is a merchandiser. But to be a successful real estate merchandiser he must be an analyst. He must be a student of the market, knowing his community — its homes — its industries, its Main Street — the people, their housing and business needs, what they can afford and wish to pay — the direction in which his community is growing — the true value for new and old property alike.

Knowing these things, he must be a counselor. Realizing that he is dealing in this country's greatest asset — the land — he must be able to judge the capacity of real estate and have the ability to translate that judgment into sound advice for the people.

The real estate executive must know the functions and best uses for various types of properties. He must be a technician, knowing methods, products, and equipment which will help him successfully operate and remodel those properties so as to maintain their value in a fluctuating market.

Because of his intimate knowledge of the real estate of his community, he is invaluable as a developer. He plans and builds many of the nation's finest subdivisions of homes. To do that he must know the maximum and best use of land — how to subdivide it — the techniques of constructing sound, livable, attractive homes at proper value — how to help people finance these homes. Doing this, he is providing attractive additions to his community, creating a desire for people to live in that community.

His specialized and complete knowledge of all phases of real estate comes into play in many other ways — aiding industry in expanding intelligently, rehabilitating sub-standard housing, appraising the true value of property, helping to increase farm ownership, developing business districts, planning for his community's future growth.

The theme of the forthcoming convention of the National Association of Real Estate Boards is "Build America Better." It is a logical theme for an industry whose logical responsibility is to build America better. This industry has taken the leadership in this job. But a large part of the task lies ahead. It's going to require every bit of our knowledge. As we do that job of enhancing the value of land, in seeing that as many people as possible own a share in America, we will be known by our record. Others will learn of the true nature of the real estate industry by our day-by-day performance, individually and collectively.

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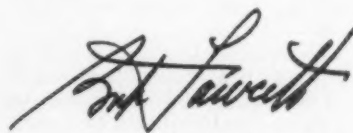
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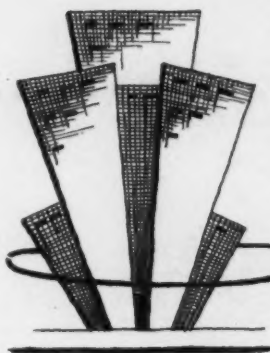
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## We Ask Rent Director Henderson 13 Questions

In the midst of stormy protests this Fall about whether cities should or should not continue rent controls, a new face appeared upon the rental housing scene. James McInnes Henderson, a veteran of 20 years government service, succeeded controversial Tighe Woods as director of the Office of Rent Stabilization. To get Henderson's answers to charges being levelled at his office, we asked him 13 questions

1.) *Exactly how many communities are free of rent control?*

We have not had occasion to compile statistics in those regions in which the rent stabilization program is not administered.

A more meaningful answer in the context of rent stabilization would be that of the estimated 17,200,000 rental units in the nation (and including Puerto Rico and Alaska), slightly more than 46 per cent are under federal or state rent stabilization programs.

2.) *How many communities elected to continue rent controls?*

About 1,315 communities (cities, towns, boroughs and villages) elected to continue the federal rent stabilization program. Also, a large number of incorporated localities retained the program by action of their county governments.

3.) *How many communities are in critical defense areas and therefore are under rent control?*

There are 147 critical defense areas and in these areas are a large number of populated areas, both incorporated and unincorporated.

The number of areas thus affected by critical designation should not be confused with the number of those communities which elected, by action of the local governing body or by referendum, to retain rent stabilization.

For example, there are five critical defense housing areas in New England, and these five areas cover several score communities, but several hundred communities in New England not in critical areas elected to retain the stabilization program.

4.) *It is reported that you and your predecessor, Tighe Woods, visited some cities for the purpose of urging continuance of controls. If you believe these cities understand their local housing situations, what are your reasons for urging continuance?*

I have made no such visits, and to my knowledge my predecessor made no visits for the purpose of urging city governments to retain the rent stabilization program.

At the behest of various city governments or public-spirited groups of citizens, efforts were made to provide factual data based on surveys and information available to the government pertaining to the particular area's housing problems in order that they could reach a decision as to continuation based on facts and not speculation.

5.) *Do you frankly believe that there has been, in decontrolled cities prior to October 1, an uncalled-for over-all rent increase, or are there just isolated incidents of unfair rent increases?*

On the basis of various surveys by the Bureau of Labor Statistics, there have been, and continue to

be, uncalled-for over-all rent increases, particularly in the low-rental brackets. The surveys have been sufficiently comprehensive to disprove that these increases were isolated incidents.

6.) *The administration has said that controls are needed until we can "bridge the gap between abnormal and normal times." In your opinion, what economic conditions will constitute the time when rent controls can be completely removed?*

This question poses too broad a problem, of far too great a scope, to be answered in this sort of an interview. However, I hope that the subscribers to NATIONAL REAL ESTATE AND BUILDING JOURNAL will work with us to bridge this "gap" in the shortest possible time, and to effectively cure the housing shortage that exists today.

7.) *Isn't it true that rent controls have stifled the plans of rental property to modernize and to maintain their properties and to retain the market value of these properties?*

No — not under our present operational policies. Studies show that, generally speaking, properties are better maintained today than in past years.

8.) *In a few cases (Denver and Cedar Rapids, for example) the city government removed controls and they were reinstated by the*



James McInnes Henderson, director, Office of Rent Stabilization

*federal government, which suddenly designated the community as a critical defense housing area. What does the term "critical defense housing area" actually constitute? And do you believe such a recontrol is justified after the city government has seen fit not to extend rent control?*

The removal of rent controls by a city council is not the controlling factor in the designation of an area as a "critical defense housing area." The provisions for the designation of a "critical defense housing area" are clearly stated in the Housing and Rent Act. In general, they are the communities which have experienced expanded defense activity since the outbreak of the Korean crisis. It is important to remember that housing shortages are local situations which affect the national economy. In the case of "critical defense housing areas" they are areas in which all the criteria set forth by the Congress have been met and in which the housing shortage not only is a matter of local concern but a matter of national concern, inasmuch as the shortages and concomitant rent increase threats have either impeded or have threatened to impede vital defense activity.

It is possible that the local governing body may not be aware of all the factors which, of necessity, must be considered by defense and mobilization authorities in determining which areas shall be desig-

nated as "critical defense housing areas."

*9.) Do you believe that a large number of rental units and properties have been taken off the market because they would not produce a sound enough income due to rent controls?*

Even one property removed from the already tight rental market is one too many.

Our area rent directors have standing instructions to work toward any reasonable adjustment which could persuade owners of these isolated units to put them back into circulation.

There are, of course, a large number of cases in which the property owner has found it more profitable to sell his house for owner-occupancy because of the increased prices for real estate. This is equally true in non-rent controlled areas as well as in controlled regions. The same thing is true in connection with uncontrolled housing construction in regular defense rental areas as well as in areas which never had control — in the majority of cases the builder has found it more profitable to sell than to rent, even though his rents were uncontrolled.

This condition cannot be ascribed to rent stabilization.

*10.) As planned now, will controls be completely removed April 30, 1953, or can communities then extend controls?*

The act as it now stands calls for controls in critical areas and in those communities which decided upon continuance until April 30, 1953, on which date the act expires.

Naturally we cannot undertake to predict what action Congress may take with regard to rent stabilization.

*11.) What is your estimate for new rental construction in 1953?*

The present construction rate for new homes, both for sale and for rent, is something like one million starts a year, of which the far greater number are units built for sale. It is my sincere hope that plans can be worked out to stimulate new rental construction in 1953.

*12.) How near do you believe this will come to meeting the demand?*

Every additional rental unit helps. However, the demand depends on continued prosperity in this nation, in addition to questions such as peace or war in the foreseeable future.

While Congress has given the local communities a vital part to play in determining the need for the continuation of controls in the light of the defense program in these areas, it has at the same time given the Director of Defense Mobilization and the Secretary of Defense the duty to designate and establish controls in the areas which meet the criteria of needing such controls for the benefit of the defense program and for the nation as a whole. I find nothing inconsistent in this double examination of the need for controls in such communities.

Of course, the community still may decontrol if it finds that a critical housing shortage does not exist. This is a decision which should be carefully weighed by any community in the light of its importance to the national defense effort.

*13.) Do you believe that rent control has in any way affected the amount of new rental construction during the past several years?*

Actually, this question is so very similar to question No. 7 about modernization and maintenance that I feel it already has been answered — and my answer still remains "no," if you mean: Has it affected rental construction adversely?

Thousands of passersby see John T. Nothnagle's "Gallery of Homes" each day. Some of the properties are shown on four-sided panels in the window. Others are on wall and aisle panels for closer inspection

## Every buy before your eye

Valuable time is often wasted showing properties which prospects turn down at first sight. Knowing this, a Rochester realtor put his knowledge of photography to work. Now he offers an eye-catching picture gallery of every property offered. He shows color slides and movies of higher-priced properties, complete from exterior shots to views of most salable features. Result — a skyrocketing sales volume

**H**OW a simple change in sales technique skyrocketed a real estate broker's sales of \$396,740 in 1949 to sales of \$4,833,950 in 1951 — and is sending them zooming toward the \$6,000,000 mark for 1952 — is the story of John T. Nothnagle of Rochester, N.Y. The key to that success is what Nothnagle calls his "Gallery of Homes", a name which he has now copyrighted.

With the slogan, "The Best Home Buys Before Your Eyes," this "Gallery of Homes" exhibits photographs of approximately 1,000 properties, preponderantly residential, in a modern, attractive, air-conditioned suite strategically located right on Main Street in downtown Rochester. Thousands of passersby every day see the displays through the large, unobstructed window. Other thousands see the homes on TV via a program Nothnagle sponsors.

More than half of the homes pictured in the gallery are the Nothnagle organization's own listings, while the remainder are properties placed with other brokers and made available through the Rochester Real Estate Board's multiple listing program.

Inside the well-lighted gallery the prospective home buyer can examine at his leisure all of the photographs, conveniently arranged in wall and aisle panels, according to location in the city or suburbs, and in several price ranges.

The basic photos of "the best home buys" in the gallery are simple 3x5-inch black and white snapshots of the properties. They are all uniformly mounted behind glass, each one labeled with the location and prices, and each keyed to a card file in which all the pertinent data about the characteristics of every property is listed. The photographs are carefully taken to show clearly such things as architectural details, landscaping, orientation to the street and to neighboring houses, and other features.

But that is only the start. At the rear of the first-floor gallery a brightly-colored, softly-carpeted stairway ascends to the "color-vision mezzanine." There a prospective buyer for any property in the \$20,000 or higher price range can relax in an easy chair while 35mm color slides of the property are projected on a screen. Those slides give him, in full color, several views of the outside of the house, as well as a number of interior shots. The latter usually feature the living room, the fireplace, if the home has one, the kitchen, and one or two bedrooms.

Any unusual features are, of course, always highlighted in the file of color photos. They may include such items as a well-equipped play yard for children, an especially beautiful staircase, a colorful, pleasant breakfast nook, a modernized bathroom, or any other feature that enhances the appear-

ance, convenience, or comfort of the home. The photographing in color of any such unusual features also frequently is extended to properties in the lower price range if it seems likely that those details will prove attractive to some prospective buyer.

And if the customer is interested in a farm, large estate, apartment house, hotel, or commercial or industrial property, he also may, in most instances, be able to see motion pictures in color of the property. Those movies show such scenes as, on a farm, a panorama of the house and principal buildings, tools and equipment, livestock grazing in a pasture, and perhaps also some interior shots of the house and barn. In the case of industrial or commercial properties the movies show such features as railroad sidings and truck loading docks, general views of production facilities, laboratories, offices, parking lots, and anything else of special interest.

Although all the hurry and bustle of Main Street is going by just outside, the "color-vision mezzanine" has an intimate, secluded, homelike atmosphere. It is attractively decorated in the modern style, with brightly-colored carpet and upholstered chairs, split bamboo drapes, and with several graceful prints adorning the walls. Melodies by Muzak float from concealed loud speakers, and subdued light gives adequate illumination while at the same time allowing the projected color photos and movies to be seen in their full brilliance.

Projection equipment is conveniently set up so that the salesman can show the pictures with a minimum of fussing and fumbling. Both slide and motion picture projectors are mounted on a revolving-top table, allowing the opera-



tor to change from one to the other simply by snapping a couple of switches and giving the tabletop a quarter turn. Nothnagle now is trying to work out an arrangement that will make it possible for passersby outside to see the projected color slides and movies at the same time that they are being viewed by prospective buyers in the "color-vision mezzanine."

The big advantage of all of this, as Nothnagle sees it, is that it avoids a great deal of unproductive work by the organization's 90 salesmen.

"Just ask any real estate broker," he comments, "how many times he's driven a prospect out, maybe 20 miles, to see some place, and when they get there they don't even get out of the car. The man takes one look, and says: 'Why, I wouldn't buy a place with a porch sticking out in front like that,' or some other equally disparaging remark, and they turn right around and drive back again. That's a terrific waste of time and expense."

That sort of thing doesn't happen to members of the Nothnagle staff. Before they even leave the office the prospective buyer has seen at least a photograph of the exterior of the property, so that he knows what it looks like from the outside, and how it is landscaped. If it is a place in the higher price ranges, he — and in most cases this includes the distaff side of the family, too — also has a fairly exact idea of the appearance and condition of the property, inside and out, and of its special features, through the color slides and movies. He's either eager to actually see the property, or he's definitely not interested. If the latter is the case, he's no more anxious to waste his time in looking at something that he doesn't want than is the salesman.

It goes without saying that, before the prospective customer has gone beyond the preliminary stag-

es of making inquiries he is carefully screened in regard to the type and price of property he wants, and his ability to pay for it. The members of the Nothnagle staff who meet the public have been carefully trained to carry out such a screening quickly and effectively, without offending the customer, and this, too, saves a great deal of time for everyone concerned.

"Why, it has got so that most of the work we do here is more like clerking in a store than it is like the old-fashioned way of selling real estate," Nothnagle remarks.

The idea of the "Gallery of Homes" was first conceived by Nothnagle in 1949. He was working then as a personnel supervisor in the paper finishing department of the Eastman Kodak Company, so it was not unnatural that he should be interested in photography as a hobby. He was a member of the Kodak Camera Club, and did quite a bit of shutter-clicking just for fun.

At the same time, for several years he also worked evenings and weekends in the real estate division of the Eastman Savings & Loans Association, an organization serving the company's employees. It was there that he learned the techniques of the real estate business, and that he also learned what uncounted hours and hours were wasted in taking clients to see houses which they turned down with hardly a second glance.

Finally he decided to plunge completely into the real estate business himself, and began to work at once on developing his "Gallery of Homes" idea. But it was July, 1950, before the gallery was ready to open, at that time on the third floor of a downtown Rochester office building.

At first he took some of the photographs for the gallery himself, but the enterprise mushroomed so

rapidly that he quickly found he couldn't keep up with it, and now he contracts with a commercial photographer for all the photographic work. With listings coming in at a rate of about 150 a month, the large volume of work makes it possible for the photographer to schedule his field work to get a maximum number of pictures with a minimum of travel, and so the photos can be produced at relatively low cost. Nothnagle estimates that his expense for the still photographs averages about \$2 for each property listed. When motion pictures are made the cost is, of course, somewhat higher.

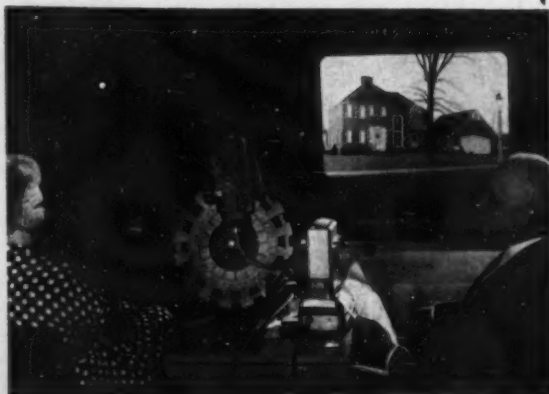
He had hardly opened the gallery when he perceived the big advantages that could be derived from a first-floor location in the heart of the city, but it was quite a while before he was able to find a site that satisfied him. However, just what he wanted became available early in 1952, and he moved the gallery there as soon as the space could be prepared. Later, additional adjoining space was obtained for office use and conference rooms, although Nothnagle continues to keep his principal business office in its original location.

Since opening of the original gallery, two branch galleries have been established in Rochester suburbs, each having a full file of all the black-and-white photographs. The branch galleries do not have the "color-vision mezzanine" installation, but the color slides and movies can be borrowed from the main gallery any time.

Nothnagle also has opened a "Gallery of Homes" in New York City for handling real estate in the metropolitan area.

One of the big advantages of the gallery system, he points out, is that it enables him to handle real estate almost anywhere. He has sold Adirondack resort hotels, Long Island estates, and Niagara frontier fruit farms almost as easily as houses in Rochester.

In this projection room above the "Gallery of Homes," prospective customers are shown additional views of the homes that may interest them. Movies are sometimes shown of expensive properties



Inside the "Gallery of Homes," photos of every house are displayed. Displays are grouped according to price range and location. Photos are all keyed to a card file which lists pertinent data



Homes Our Readers  
Are Building

## AIR CONDITIONING... potent sales feature and cost cutter

From New Rochelle to New Orleans, air conditioning is becoming more and more of a powerful force in helping to sell houses. And real estate builders also are finding it helps shave construction costs. Here are three representative projects

### • IN NEW ROCHELLE



Bonnie Crest Estates demonstration house model sells for \$20,990 with air conditioning, \$19,990 without. Houses are designed so that the use of air conditioning is optional with the prospect



**R**EAL Estate Builder William Morrison recognizes the sales appeal of air conditioning and is offering it as an optional feature in his Bonnie Crest Estates homes, New Rochelle, New York. Sale price of his demonstration house, shown here, is \$19,990 without air conditioning, and for \$1,000 more the buyer may have year-round air conditioning in the house of his choice.

Work is now underway on the first group of 140 houses on the 145-acre tract. Plots range from 7,500 square feet to 15,000 square feet.

The modern ranch homes include three bedrooms, two baths, full basement and attached garage. Other interesting features, including a basic center-foyer layout, are 26-foot living-dining area with 16-foot sliding glass doors and two panels of glass jalousie-type windows opening onto the rear garden, kitchen tiled with Crown Steel wall tile and equipped with an Insinkerator disposal unit, Frigidaire refrigerator, and a Well-Bilt table top gas range. Portions of the walls in kitchen and bath which are not tiled are covered with Walltex washable wall fabric. Morrison is also using American-Standard plumbing fixtures and laundry dryer, Formica Vanitories, Rusco metal windows, U. S. Plywood exterior sheathing, U. S. Gypsum roofing and foil-backed plaster board, and Benjamin Moore paint. The air conditioning unit is Chrysler Air-Temp. Heating equipment for non-air conditioned homes is also Chrysler Air-Temp.

Morrison is selling the Bonnie Crest Estates lots on a first-come, first-serve basis. He is offering eight different elevations and constructs the selected house on the buyer's lot. Orders are taken from the demonstration house, which is kept open from 10 a.m. till 9 p.m., seven days a week. Buyers are permitted to select exterior materials as well as interior colors and wallpaper designs.

A safety innovation rather new to medium priced homes is a Save-A-Life automatic fire alarm system throughout each house. Thermostatic controls in each room, independent of the heating system, will set off alarms when the temperature exceeds 120 degrees



Pilot model of Morrow's homes have several cost saving features: fixed sash high windows on one wall of living room and a picture window on the other, which can also be fixed sash; solid west wall; orientation to suit lot regardless of climate; flat and low-pitch roofs

#### ● IN NEW ORLEANS

Ducts for return air are installed before slab is poured. Air conditioning unit is put in place after slab is poured. Here engineers establish exact spot where the unit will go. Opening in slab is for return air



Floor plan shows supply duct and register arrangement. Figures near registers are sizes of openings. Overall dimensions are 44 by 48 feet including storage room at right. Carport is in front of the storage room

WHEN built-for-sale houses were first equipped with year-round air conditioning, the equipment was installed merely as a plus feature and the builder realized few of the savings in construction that air conditioning makes possible.

But just a few weeks ago, a New Orleans real estate builder opened a pilot house in a 500-home project that is designed to take advantage of such savings. The house is built around air conditioning.

Builder is, Robert F. Morrow of London Homes, Inc., who has been active in New Orleans real estate and building organizations for 16 years.

Heart of Morrow's houses is a Carrier Weather-maker unit which contains cooling and dehumidifying equipment, plus winter heating, air cleaning, and circulating equipment, all in a single compact cabinet. The unit sits in a space about four by five feet in a small closet off the hallway, centrally located in the house. According to Carrier engineers, the air conditioning features save enough money in construction to pay a large part of the cost of installation. These savings, plus those made possible by mass building techniques, permit the sale of the New Orleans homes for \$18,250 to \$19,300, excluding lots.

Brand-conscious Morrow not only plays up the fact that his homes are air conditioned, he also features in his ads and brochures the brand names of other equipment chosen to enhance quality and salability — Crane colored plumbing fixtures, complete General Electric kitchens and laundry equipment, Goodyear Vineflex flooring, Modernfold doors, Micarta vanity tops.

Five models of houses are available in the project, all vastly different in architectural style. Exterior treatments range from a New Orleans Manor style to a combined shed- and flat-roofed ranch style. Each model has 1,400 square feet of floor space and three bedrooms. The pilot home shown here sells for \$19,300, excluding lot.

The floor plan of the pilot model shows the supply duct and register arrangement, which is the same as for a warm air system in the New Orleans area.

The unit installed in this residence has three tons of cooling. Proper sizing of the unit depends on a combination of such factors as sunlight through windows, heat gain due to sun on walls and roof, heat transmission through structural elements, outside air infiltration through windows and doors, heat emitted by occupants and lights, and heat given out by cooking processes. A builder planning to construct air-conditioned homes can get technical design information and advice from local dealers.

The heat loss figured for the New Orleans home is 79,400 btu per hour when heating from an outside design temperature of 20 degrees to an inside temperature of 75 degrees.

The summer load was figured at outside conditions of 95 degrees dry bulb and 79 degrees wet bulb. Design conditions for summer and winter loads will, of course, vary considerably depending on geographical location. The difference in heat loss due to fixed sash, the solid west wall, and so forth, was not figured. It is estimated that a normal size double-hung window  $4\frac{1}{2} \times 21\frac{1}{2}$  feet would have heat loss through infiltration of about 600 btu per hour in the New Orleans area. This, of course, is eliminated with fixed sash.

Other savings made possible by air conditioning are: Windows can be placed where they will do the most good in terms of light, view, and convenience, without worrying about ventilation. The problem of intense heat through windows with a western exposure is eliminated by making west walls solid. Living room walls can be designed for huge areas of fixed glass picture windows without concern for casement windows alongside, or ventilating louvers underneath, or for screens to cover the windows. Attic fans can be eliminated and the roof pitch lowered, if desired.

The pilot home was designed with windows that open in each room to meet government financing plan requirements and to show various window arrangements possible. Greater savings can be achieved if other plans are used.



**E**IGHTY homes with year-around air conditioning are being built for sale in the Washington, D. C. area. And their price . . . \$26,750 . . . is less than comparable houses with conventional heating.

Builders of the homes are Oman-Neal, Inc., of Alexandria, Virginia. The project is being built on a tract in Valley Brook, Virginia.

Architecturally, the demonstration house pictured here is of contemporary style built on a tri-level plan and includes face brick, natural wood, and large floor-to-ceiling windows, three bedrooms, a guest-study entertainment room, three bathrooms, a living area, dining-play area, kitchen-work area, and a utility storage room. The basic home covers 1,800 square feet, exclusive of carport-sundeck, two terraces, and a balcony rimming two sides of the house.

David S. Oman, chief designer, lists three points as cost-cutters in developing the homes:

1) The advantage air conditioning brings in allowing placement of the homes on the natural contour of the land without orientation. If it were not for air conditioning, three-fourths of the lot locations could not be used without changing plans drastically or raising prices.

2) The home is designed to eliminate such construction items as fireplace dampers, fixed window sashes, door and window screens, screened porches and breezeways and attic fans, smoke chambers, furring, lath and plastering, steel lintels, tile set in mortar, and certain framing members.

3) The home is designed to eliminate all areas not usable. Every nook and cranny is utilized.

FHA is giving full prior loan assurance on the homes, the first FHA sanction covering the full air-conditioning cost on new construction.

The gas-operated Servel All-Year air conditioner in the homes is capable of displacing three tons of refrigeration for summer cooling, and 96,000 btu for winter heating. In addition, the unit humidifies and filters the air.

Exterior of the typical Oman-Neal home has large Thermopane glass areas opening on terraces. Ten-

inch brick cavity walls have a 2-inch air space and 1¼ inches of Fiberglas insulation. All brick walls are exposed on the interior, eliminating furring and plastering. The roof is covered with Flintkote heat-reflecting roofing and has a 4 to 12 pitch with 42-inch overhang.

Most of the face brick is Williamsburg pink. Variation is achieved by occasional use of brick from the Revolutionary home of Georgetown reset in their existing state and a special hard surface painted brick. The vertical siding varies with use of redwood, Phillipine mahogany, western cedar, and cypress, painted or finished natural.

The kitchen-work area contains \$3,000 in equipment. A stainless steel Thermador cooking top is set in a 5½-foot ceramic tile counter; the baking-broiler unit is counter high. Also included are a Waste King disposal, Hobart dishwasher, Westinghouse Laundromat, and Servel gas refrigerator and 45-gallon water heater. The storage area houses the air conditioning equipment. One of the bathrooms is on the first level.

On the second level, living-guest-study areas are separated by a double accoridian-type door which, when opened, gives an unobstructed 40-foot entertainment area. The 12-foot fireplace is elevated two feet above the floor and has a six-foot metal hood. The rich texture of the polished brick blends with the natural redwood "Novoply" paneling of the ceiling, back wall and upper end walls.

The master bedroom and two other bedrooms open on the third level onto a balcony. The master bedroom has three closets and a compact bath. Another bathroom is centered between the other two bedrooms. All bathrooms have colored Crane fixtures, Formica vanities, and six feet of ceramic wall tile. There are two linen closets on this level.

More than 7500 persons toured the pilot home of the project the first two days. Six homes were sold the first day, eight of the first group of 10 plus three of the second group of 10 were sold the first week. Sales have been at an above-average clip since, the builders report.

#### • IN VALLEY BROOK, VIRGINIA



Air conditioning facilitates orientation of houses, making more lots usable. This view shows part of the dining area on the first level. Note awning windows and brick wall

Tri-level demonstration house of Oman-Neal has year-around air conditioning, three bedrooms and baths. Angle view shows heavy use of fenestration, carport-sundeck, pastel roof

By EARL B. TECKEMEYER

Realtor

Indianapolis, Indiana

ABOUT 98% of all the books or pamphlets on selling lay great stress on the ability of the reader to develop a glibness, or cleverness at meeting objections, a quick-as-a-flash technique in verbally combating the customers waning interest or indifference. In fact, not so many years ago, almost every large real estate organization had what was then known as a "closer." He was the fellow who swept the prospect off his feet, rammed the pen into his hand and got the signature, talking all the while at such a pace that even the most adamant customer "bought" as a matter of self defense.

Fortunately, this practice has almost ceased to exist (all real salesmen do their own closing) but there is still the lingering suspicion that to be a good salesman one must be a gee-whizz of a talker. Well, this brings to mind, first of all the fact that "Sampson slew the giant with the jaw bone of an ass" (so say the scripture) and possibly realtors can be guilty of "slaying" prospective sales with the same instrument if they aren't careful.

Not long ago I read a book on how to get along in the world. Most of the book was trite and time-worn, but one sentence stuck in my mind so forcefully that when I sat down to write this piece I got the book and, without pause, turned directly to the page where the sentence appeared. The sentence was this: "If you want to live successfully you have to learn to keep your mouth shut. God gave you two ears and one mouth, so that you could listen to twice as much as you say." There you have it. It may seem a paradox for one given to speech-making to almost revere such a statement, but I do and I hope you will. Why?

For one thing, when we are about the business of showing or discussing a piece of real estate we constantly talk more than we listen. The only way we are going to learn what the customer wants, what he thinks in his heart, what his desires are is to let him tell us. But we don't because we are honestly so enthused about the property, or the project, and are so certain he knows so little about it that we think only a constant

## THINK YOUR WAY TO SALES



Some salesmen talk themselves right out of a sale. They're so intent on telling a prospect what they see that they don't give the prospect time to see for himself. Our author thinks the days of the knock-em-dead salesmen are over — that confidence-building is the all-important job. Here are pointers that may prove valuable to your sales staff

stream of explanatory sentences will bring him up to date and to our level where he can appreciate what we have to offer.

One day at the beach the nurse of a small but intelligent eight-year-old, endeavoring to get her charge to hurry along home said, "Come along. You have looked long enough at those waves and everybody is going away." The answer: (Remember I said he was bright) "They watch what I am watching, but they do not see what I see."

There again, you have it —

straight and true and potent as the arrow to the target. To the hesitant, plodding, indecisive prospect could it not be possible that he thinks we do not see. If we don't interrupt he may paint his own picture of the pleasant hours he will spend in that living room with its well-used fire place and book cases, and is not worrying at all about the antiquated heating system which we are yearning to explain can easily be overhauled and made servicable, or the garage which is too small for the present longer cars but which can easily

be elongated at small expense. There lies a great danger . . . the temptation to try to verbally cover every visible objection without letting the customer dream a little and "see what we do not see!"

It is well known that one of the first elements of successful selling is to become enthusiastic and to be able to show it and, if possible, impart it to the prospect. But enthusiasm is not composed wholly of talk; or exciting, sparkling witty comments designed to "slay" the prospect with cleverness and eventually "swoon" him into buying. It *can* be composed *wholly* of a quiet, searching, sympathetic, and dignified inquiry into what your prospect is like; where his interests lie; why he wants what he wants. When he at last learns through your cordial and composed treatment that you know these things, you are "tuned in," so to speak, with his thinking. The excitement and enthusiasm will be there all right, but he will be the one who exhibits it toward you and what you are trying to get him to do. He will like you because you have made it plain that you understand him. After all, there is only one way in the world to get anybody to do anything and that is by making them want to do it.

All this requires more thinking and less of the artificial, time-worn and tattered sales promotion schemes now so casually and hopelessly indulged in by all of us, everywhere.

One of the real tests in this business is to, first of all, ask ourselves and face one important question: Do we deserve confidence? If not, we certainly won't get it. The fellow who constantly lists properties at \$35,000 and then produces a first offer of \$27,500 doesn't deserve confidence. The seller, who relied on his realtor's skill and sees it rebuked day by day as the prospects come and look and saunter away, loses confidence. And the prospects, who looked first off and would have bought at \$27,000 but were urged to buy at \$35,000 and assured that it was a good buy at that price, have lost confidence in the realtor, too.

On the other hand, the solid performer, out of his experience and skill, knows how to figure out almost to the dollar what a property is worth, lists and offers it at that or doesn't list it at all. Eventually he has the sellers saying that

"that fellow knows his stuff and really sells 'em" and prospective buyers soon learn by word of mouth to seek help and advice and guidance from such a realtor because he has built a reputation for offering properties at what they are fairly worth on the existing market.

I mentioned knowing how to figure out what a property is worth. That implies some skill as an appraiser and will have to be the subject of another paper. But, the realtor who does not at least know the rudiments of estimating value by accepted and standardized methods is licked before he starts. He won't know the why of anything about price except that so-and-so sold for such-and-such and therefore the subject property probably ought to bring a like amount. That is a potent charge but, being only too true, it must be said.

Everything suggested here as an aid to the salesman's equipment can be accomplished with just a little hard thinking. Of that all of us do too darned little. There is the constant striving for material gain; more transaction, meeting sales quotas, winning the monthly prize; the frenzied race for more and more volume and worst of all the constant measuring of success by what we say of ourselves in our ads, our Radio spot blurbs, our T-V promotion pieces and too little concern about what others say about us because of what we actually do. After all, what people say behind our backs is our REAL reputation on the community.

Thinking is a tough job; especially creative thought. Something near to it gets into our advertising but not nearly enough. We seldom pause to picture what the reader of the ad will think, what his reaction will be to what we have written. We almost always write what we like. Advertising does two things. It either draws people to us or repels them.

To get back to this thinking business, we need to take more time out from the hurry and bustle of the average business day to simply sit down and reflect and contemplate and compose ourselves. Like the old Negro when questioned about the fact that he seemed never to worry. He replied, "Well, when I works, I works hard. When I sits I sits loose. And when I worries I goes to sleep."

I'm in favor of more of that

"loose sitting" in our business; more time to just think about how to handle this problem, how to promote that project, how to sway that prospect or to get that listing at the right figure. And, I favor a lot less of the power house, knock-'em-dead tactics which seem to have gained too much of a head start in this fantastic world in which we are now living.

There are kind and thoughtful men whose names will never be known to the world but whose lives appear as masterpieces to those who know them well. Who should we realtors want to know us well, and in that light, but the people whom we help from day to day in establishing their homes, down through the long span of years in our home towns. The root of all creation, whether speculative, artistic or practical, is of course, an idea. This idea grows and finally results in creation. Ideas flow from thought. Thought takes thinking. Let's try to think ourselves to more success in real estate selling.

## An Effective Mailing Piece For Your Clients

From the pages of PERFECT HOME Magazine, published by Stamats Publishing Co., comes this appealing essay of Benjamin Wright on the meaning of home. Copies of the article are available to JOURNAL readers as a mailing piece to home buyers and prospective clients. Copies exactly duplicate the opposite page and are available at the following prices: 10 copies \$60; 100 copies, \$2.50; 500 copies, \$11; 1,000 copies, \$21. Reproduction of the article is expressly forbidden by the publishers. If you would like copies to send to your customers, fill out the form below and mail today.

National Real Estate and  
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Cedar Rapids, Iowa

Please send me \_\_\_\_\_ copies of "The  
Home — Stability in the Midst of  
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# the home

## stability in the midst of change



AS ONE WHO HAS BEEN, for thirty years, a student of the American past, I have often been impressed with the extent to which the mental picture of home has changed. The first homes in what is now the United States were the primitive cabins of the settlers, as were those which the western pioneers were building two centuries or more after Jamestown and Plymouth. But these cabins, like the great plantation houses of the South, the red brick town houses in the young cities, or the farmhouses of white clapboards in New England, were the central and most stable elements in the lives of their owners. Those cabins stood for protection, for a chance to start a new life, to build a country.

During the second half of the nineteenth century, while the country lived through the agony of a desperate Civil War, and then through industrial movements which led not only to radical changes in ways of earning a living but also to the transfer of millions of people from country to city, the conception of home was often altered, but home remained tangible and stable. Throughout this period generations lived in the same house, its value lying in its permanence. Home stood for security, for something that father could pass on to son.

As the result of two world wars and their influence upon industrial expansion and upon further movements of population, the idea of home varied yet again. It is often no longer possible to live in the old family house. The most common dream of today is not so much the house in which generations have lived, as it is the picture of a peaceful farmhouse, or of a perfect white cottage shaded by trees and surrounded by green lawns and beds of flowers. In either case it is a place where the family may live together. Many families do attain such a home. For others it is possible only temporarily. Businesses, as well as the Army and Navy, require their employees to move frequently, and on relatively little notice. Thus as a tangible object, home for many can no longer be relied upon as permanent, yet it remains central to the lives of everyone.

It does not lose its value because of its size or appearance, or because of the brief duration of the family's life in it. It is here that a few treasures are kept — books, a picture, a radio, a comfortable chair. Home is where the family gathers, where character is developed, where life is shared. Because it embodies the people as well as the things one loves, it is home, the place where one finds rest and encouragement, to which one returns because it is the center of his affections.

*B. F. Wright*

BENJAMIN F. WRIGHT  
PRESIDENT OF SMITH COLLEGE

# Working papers for closing sales

By E. H. WELTER, CPA

**WORKING** papers for closing a real estate sale as described here are just one idea of many that can be used in an office to delegate duties on a standardized basis.

It provides the salesman who closes the transaction definite help to eliminate errors and speed up the work with confidence. It makes possible a method of coordinating the work of the salesman and his company's accounting department.

The reason we do not have better records in the average office is because the records are not made convenient to prepare and use. When records are made a part of the original routine they are not only useful in the process of their preparation but their use for future reference is more valuable.

The working papers were adopted by the writer when he was an accountant for a real estate company which had many salesmen. Purpose of the papers was to provide a uniform plan of closing sales by the salesmen who originated them.

The form can be used by small operators or individual salesmen for the office permanent record. The bookkeeping and accounting records can be prepared from the work papers with a minimum of assistance from the salesmen. Individual statements are made up from the completed work papers of each of the accounts involved.

The principal benefits from the use of the work papers are: 1) the elimination of several different forms, 2) Every transaction to a deal of this kind affects another party to the deal, and can be entered simultaneously to each account affected, 3) the balancing proof or the broker's account is prepared at the same time other accounts are adjusted.

The party preparing the statement must keep in mind that there are several people to the transaction and all are being settled with concurrently, and for every debit on the form there must be a cor-

Well-planned working papers for closing a sale can help avoid errors, speed up and coordinate work. The author suggests a uniform plan that eliminates much supervision, needless forms, and gives your salesmen a standard and accurate approach to closings

responding credit entry. This principle is true of every item handled, whether cash or non-cash, such as adjustments for proration of taxes, insurance, and so forth.

Real estate organizations usually prepare one statement of an entire transaction and try to close or settle with the parties on this one statement. This cannot be done because there are non-cash items affecting one or another of the parties. There is another method used and that is the preparation of a single statement for each of the parties. This works better but the possibility of omitting a non-cash adjustment exists for which there is no immediate proof.

To illustrate the working of the plan and to use actual transactions we will assume the following real estate transaction has been consummated. Everything has been completed except the final settlement because their use is obvious, but it is important to have them complete and accurate. We will give the transaction and enter it on the statement:

1) The sale price is \$15,000.00. The entries are made as a debit to the buyer and a credit to the seller for this amount.

2) The buyer made a cash down payment of \$2,000.00 as earnest money to the broker who will keep the money in escrow until final settlement. Credit the buyer with \$2,000.00 and debit the broker with this amount.

3) Expenses have been incurred on behalf of the seller in the amount of \$10.00 to have the abstract brought to date and \$25.00 for attorney fees by the buyer to have the title examined. Debit the seller with \$10.00 and debit the buyer with \$25.00 for these expense items and credit the broker's account for the same amounts. He will eventually pay the statements and deduct the amounts from the proceeds in his possession. They become accounts payable on his books or in his portion of the statement.

4) Taxes on the property amount to \$250.00 per year and are payable in December of each year. Therefore, since the effective date of sale is July 1, 1952, one half of the taxes have accrued as a liability to the seller. To adjust their accounts so that when the buyer pays the taxes in full in December he will have recovered one-half of them from the seller in the meantime. Debit the seller with \$125.00 and credit the buyer with this amount.

5) Insurance premium in the amount of \$300.00 was paid by the seller on January 1, 1952, covering a three-year period. To adjust the unearned portion chargeable to the buyer when the policy was assigned to him by the seller we debit the buyer with \$250.00 and credit the seller with the same amount, or the unearned premium.

6) A mortgage of \$10,000.00 now existing on the property was assumed by the buyer. The interest was paid by the seller on June 15, 1952, at 6% and will be payable again on December 15. The following entries are necessary: Debit the seller with \$10,000.00 and \$25.00 and credit the buyer with \$10,000.00 and \$25.00. The \$25.00 is the 15 days accrued interest from June 15th to July 1, 1952, the effective date of sale.

7) Revenue stamps were furnished by the broker for the seller to go on the deed in the amount of \$5.50. A debit to the seller and a credit to the broker for this amount will adjust for that item. The broker supplied the stamps from his own fund and will replace them with proceeds deducted.

8) The broker's commission on the sale is \$750.00. Debit the seller for this amount and credit the broker's account.

After the above items have been entered on the working papers and a careful check has been made to see that all items affecting the sale have been included and prorations are correct, the working papers

The broker's account is the balancing proof of the transaction and should also be footed to the grand total column. If the debits and credits equal, he will have retained enough money after settling with the seller and buyer to get his commission of \$750.00, a reimbursement for revenue stamps

It is better to open a bank account separate from the general account of the broker for depositing all money taken from clients. Transactions should be settled through account. Also an individual ledger which is controlled by

The account under the "Brown-White Deal" would appear on the general books or in the individual ledger as follows:

		<i>Dr.</i>	<i>Cr.</i>
July 1, 1952	Cash by Brown — Buyer .....		\$2,000.00
July 5, 1952	Cash from Brown in Settlement .....		3,125.00
July 5, 1952	Cash paid White in Settlement .....	\$4,334.50	
July 5, 1952	Check transferred to general account for commission .....	750.00	
July 31, 1952	Attorney Fees Paid .....	25.00	
July 31, 1952	Abstract Company Paid .....	10.00	
July 31, 1952	Check to reimburse revenue stamps used .....	5.50	
		<u>\$5,125.00</u>	<u>\$5,125.00</u>

It will be noted by looking at the above account that for further information relative to the deal it will be necessary to refer to the working papers. This method eliminates much duplication of work in the accounting department.

Location	<u>5000 Troost Avenue, Kansas City, Missouri</u>	Legal Description	<u>Lots 1 and 2 Anyaddition, Jackson County, Missouri</u>
	<u>John and Mary Brown,</u>		<u>Andy and Jane White,</u>
Seller's Name and Address	<u>5000 Troost, Kansas City, Mo.</u>	Buyer's Name and Address	<u>Olathe, Kansas RR #1</u>

(FOR EVERY DEBIT THERE MUST BE AN OFF-SETTING CREDIT)			Buyer's Account: Amy & Jane White		Seller's Account: John & Mary Brown		Broker's Account: Henry Smith			
DATE	PARTICULARS	REF.	DEBIT	CREDIT	REF.	DEBIT	CREDIT	REF.	DEBIT	CREDIT
7/1/2	Sales Price		15,000.00				15,000.00			
	Down Payment			2,000.00					2,000.00	
	Escrow Deposits									
	Abstract to Date-Expense	1				10.00				10.00
	Title Examination-Expense	2	25.00							25.00
	Recording Fees									
	Releasing Papers									
	Proceeds of Loans									
	Escrow Fee									
	Title Insurance									
	Survey & Inspection									
	Proration of Taxes	3		125.00		125.00				
	Proration of Insurance	4	250.00				250.00			
	Proration of Interest	5		25.00		25.00				
	US Revenue Stamps	6				5.50				5.50
	Proration of Rents									
	Broker's Commission					750.00				750.00
	Notes Given By Buyer									
	Mortgages Given By Buyer			10,000.00		10,000.00				
	Mortgage Assumed by Buyer									
	SUB-TOTALS (basis of settlement)		15,275.00	12,150.00		10,915.00	15,250.00		2,000.00	795.50
	SETTLEMENTS:									
	Due from Buyer (debits less credits)			3,125.00					3,125.00	
	Due to Buyer (credits less debits)									
	Due to Seller (credits less debits)					4,334.50				4,334.50
	Due from Seller (debits less credits)									
	GRAND TOTAL (All Accounts Should Balance)		15,275.00	15,275.00		15,250.00	15,250.00		5,125.00	5,125.00

References: (1) & (2) Broker to pay these from his funds for buyer and seller. (3) See tax receipt 1951. (4) See policy in hands of mortgagor. (5) Interest from last interest paying date June 15th at 6%. Next date of payment December 15th, 1952. (6) Revenue stamps furnished from broker's stamp fund.



*Should You Ever Recommend to Owners That They Accept...*

## **BELOW-PRICE OFFERS?**

**Y**OU list a property for \$25,000. It is actively advertised and shown. Finally, an offer is submitted for \$20,000. The owner may ask you, "Should I accept this offer?" What do you say? Should you advise the owner to sell below the listing price?

In today's real estate market, the question of sales prices is becoming more and more of a problem. On the one hand, price-conscious sellers are reluctant to take less than the listing figure, which may be inflated. On the other hand, the realtor who advises the seller to accept less runs the risk of having the property immediately resold at a higher price, putting him in a bad light.

Journal editors asked seven representative real estate executives how they handle this problem. This question was asked: Should a realtor at any time recommend to an owner that an offer be accepted below the listing price, or should the broker leave the decision entirely up to the seller?

The consensus is that it is the realtor's duty to advise acceptance... "if."

Jack Higginbotham of Fort Lauderdale, says, "At all times the answer lies in the faithful adherence to the relationship of trust and confidence between the broker and the client.

"In the case of an exclusive listing between the broker and the seller where this fiduciary relationship is at its highest, a broker might well be in a position where it is his duty and obligation to advise the seller of changed market conditions — or of his belief, by reason of more intimate knowledge of the property, that the property is salable only at a lower figure than originally contemplated — or of physical factors of neighborhood or zoning — or of influencing factors of a particular transaction. The broker might therefore, in full loyalty to the seller, recommend the acceptance of a lower price, if that is his honest opinion. The point is — ALL should be honestly told.

"In the case of so-called open listings, and I feel that this is not the situation you are questioning, where the seller is playing the field with many brokers and reserving the right to bargain for himself, the broker has a far smaller responsibility to the seller. The relationship between the buyer and the broker may become the one which is the more demanding. In this case it becomes the broker's obligation to buy as well as possible for his purchaser. Always, fairness and honesty must prevail, but greater latitude certainly exists here in the broker's freedom to ask the seller to accept a lower price."

Van Holt Garrett of Denver says, "Yes, the broker should recommend acceptance, provided that every effort has been made to sell the property at the listed price and after the broker is convinced that the listing was too high."

Paul B. Isham of Hartford states, "The answer to this question depends on the conditions that exist both at the time of the listing and the present. Many home owners, desiring to get the highest possible price for their property, will very often ask the broker to list the property at a figure higher than the broker's appraisal. In cases such as this, in my opinion, the broker is justified in recommending to the owner

that he accept an offer if it is close to his appraisal.

"In certain other cases, a listing may be in the broker's files for some time with no offers to purchase having been made. This might apply to a property where the broker and the owner had agreed on a price at the time of listing but, as often happens, the property has remained unsold. I think in a case like this, if the owner is anxious to sell and an offer is made under the listing price, the broker is justified in recommending that the offer be accepted providing the price is within reason."

Charles Peters of St. Joseph believes, "The theory of this office is that on today's market there is a asking price, market price, and selling price. In other words, property is still over-priced by the seller on used homes. When we have had a sufficient time to screen lookers and a reasonable offer is received we then feel justified in talking over the experiences of this office on the property and recommending to the seller an acceptance of such an offer."

Albert C. Hofrichter of Baltimore says, "A real estate broker is usually employed by a client for his knowledge and ability to promote and protect the clients business interests. When an offer is submitted to an owner, the owner is most likely to ask the opinion of the broker as to the offer. The broker can then express his opinion as to the merits of the offer. If the owner does not ask the broker's opinion and the nature of the case is such that the broker is of the opinion that the owner should not let the offer go by or refuse it, I believe it is right and proper for him to so state to the owner. If the broker is sincere in his desire to serve his client he should have no difficulty in such a case if he has and wants to hold the confidence of his client.

Martin A. Culhane of Chicago answers, "If the offer is in line with the market value, in my opinion the broker owes a positive duty to the seller to recommend acceptance. The broker should not merely serve as a go-between but as a negotiator."

George Elkins of Beverly Hills says, "One of the prime duties of a reputable real estate broker is to be well-informed as to the market in the area in which he operates. If he fails in this regard, his advice as to value and availability of offerings means nothing. His entire time is spent inspecting properties, showing properties, and keeping himself acquainted with the day-to-day market, eliminating properties sold, and adding new offerings. This is information which is rarely known to a seller and for this reason the broker can pass on to the seller valuable information concerning the market. It would seem he should properly do so. Most sellers do not consider themselves well-versed on current selling prices and are seeking the broker's suggestions. Unfortunately sellers sometimes feel that brokers are inclined to try to obtain listings below the current prices and deliberately price their property higher than the price they expect to receive. It is also unfortunate that some brokerage firms take listings at much higher prices than they expect to get on the theory that when an offer is received it is time enough to work with the owner toward a more realistic price."

# DRAMA IN DOORS

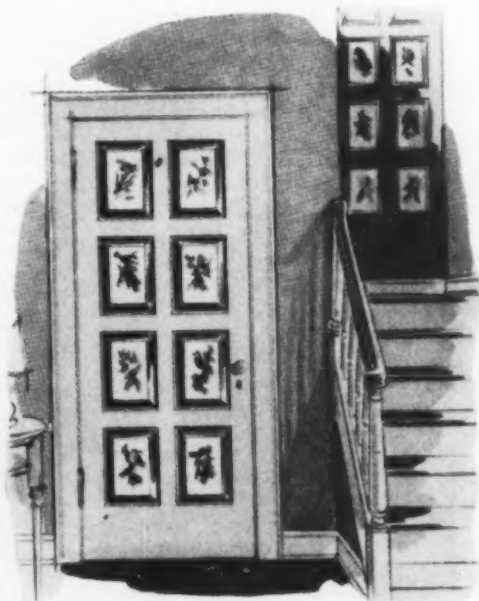
Real estate builders, on the lookout for ideas that will give their houses more sales appeal, will find a prospect-pulling feature in the new decorated paneled doors. Following the trend toward more complete color schemes in the home, the paneled doors can be decorated to harmonize or contrast with walls and furnishings. Panels can be painted, papered, or decorated with decals and cut-outs, and can be used in any type home — traditional, modern, contemporary. The new idea is especially suitable for use in demonstration houses to point out to visitors how color can make rooms more comfortable and livable. The illustrations here show some of the treatments and varieties of styles now being used for decorated panel doors.



If used in demonstration houses, colors should harmonize with colors of other woodwork in the room. Panels in this door are edged with same color as walls.



In this room, panels of the door were painted a deep brown to harmonize with the walls. Decorated doors can emphasize the flow of color from room to room, a secret of making a small house look larger.



Entire panel surface of doors may be papered, or designs may be cut out of wallpaper and pasted to painted panels. A coat of clear lacquer protects the paper. Old prints, maps, sheet music can be used.

What does today's successful property manager need to know? Every phase of real estate, says the author, from estimating operating costs and pinpointing property values to collecting insured losses and selecting modernization materials. Here are salient suggestions for making your own management department more profitable

By A. T. BECKWITH, CPM  
The Keyes Company  
Miami, Florida

## PART II

# MEETING TODAY'S MANAGEMENT PROBLEMS

THE importance of a property manager keeping well informed on a host of subjects can't be over-emphasized. In addition to being posted on rents in various parts of the city, he must be in touch with prospective tenants and keep an eye on lease expirations in other properties. He must know building costs, land values, building products and equipment, taxes, insurance rates. Continuing the outline we began last month, let's take a closer look at some of these subjects.

### Current Building Costs

It is essential for the manager to know current building costs for he may not only be contemplating a new project for a client, but he may also use this information to advantage when setting rent schedules or attempting to negotiate leases with old tenants. As a general rule, no rent schedule on an existing property can be set higher than the owning and operating cost of a similar location which the tenant can reproduce. Occasionally, the tenant may be financially unable to reproduce it, but as a general rule certain financing can be brought about to enable the tenant to escape the higher rental by duplicating the rental space nearby. This is often a guide employed in determining maximum rental that a tenant may pay on a percentage lease which occasionally may require that the percentage rate is lowered.

This knowledge should also be

available to the manager, for in many instances a long term lease on managed property may be under consideration. Or one of your owners may be planning to build stores or other income buildings. His total investment should be considered at the start in order to determine the net return and as to whether or not the project would be economically sound.

Each manager should be well acquainted with the amount of vacancies of all classes, including stores, offices, lofts, warehouses, apartments, and homes if he is in the general management business. The amount of vacancy in any category, and in certain localities, has a tremendous influence on current rental values — and as to whether or not present rent schedules can be held firm, or if they are going to weaken.

### Estimating Operating Cost

The manager who is presently managing a large variety of properties, such as apartments, store properties, office buildings and hotels, naturally has information on total operating cost and specific cost for various services. These are often broken down on a per square foot or per room basis per year. Applying such a formula to any property of known size, a fairly accurate estimate of operating costs can be determined. If the manager is assisting an investor who is contemplating the purchase of an income property, it is highly important that an operating estimate be

made up on a truly accurate basis. If \$3,000 or \$4,000 per year expenses are omitted, this would reduce the annual net income by the same amount, and it might also reduce the value of the property. The seller might unintentionally be a little careless about including such items of expense; but there is one thing certain: if the buyer is to make a good sound investment he cannot afford to be careless about including real expenses which may not occur today or tomorrow — but which inevitably will occur over a period of several years.

While all properties are not assessed on the same basis, there is a general relationship of total taxes to assessed value of the property. In the case of some downtown business properties, it will run as high as six per cent — but, if the current market value should happen to be twice the assessed value, then the taxes would be approximately three per cent of the value of the property. We are, of course, discussing a proposed building since current taxes on any property are a matter of public record and can be obtained by calling the tax assessor's office. A yardstick which is often used in determining total taxes is a figure ranging from two to four per cent of the current value of land and buildings.

### Estimating Alteration Costs

Alteration costs might be based upon specific alterations and cannot be determined on too broad or



general a basis. While building common stud and plaster partitions is generally figured at \$10 to \$12 per running foot, this would vary according to the height of the ceiling and if you have a high ceiling, the proportionate price should be reflected in your estimated cost. New store fronts may run from \$3,000 to \$10,000 per front, depending entirely on the treatment selected, materials used, and width of the front. Estimates of this sort would ordinarily have to be obtained from building contractors after a suitable sketch has been prepared by an architect.

† Alterations which involve the installation of cooling fans, air conditioning, new lighting fixtures, asphalt tile floors, can usually be made by checking with one or two vendors, except where an engineering analysis is essential. Air conditioning charts are available through Frigidaire and other manufacturers. These show the approximate number of square feet that may be served by air conditioning for various types of businesses and amounts of occupancy. They also show the approximate number of air conditioning tons required, and the approximate cost of installed air conditioning per ton. With this amount of information available, it may be determined that a certain installation would require 20 tons, and if it costs \$600 per ton, installed, the total cost would amount to \$12,000. Like information is available on operating cost per ton per year.

The same information is available on cooling fans and individual estimates would have to be made up according to the size of the space and the number of air changes required. Asphalt tile flooring is generally estimated at 17 to 20 cents per square foot, depending on whether or not it will be placed on a wood floor or on concrete or other masonry floor. A heavier gauge asphalt floor may run up to 25 to 26 cents per square foot. There are many other forms of improvements, of course, but those mentioned above are most common.

#### Estimating Insurance Costs

Most income properties are covered by insurance on an 80% co-insurance basis, but, if the coverage does not include extended coverage, the wind-storm may be only as high as 50 per cent of insurable value. After the insurable value is determined, the amount of in-

#### ANNUAL RATE PER \$100 of Coverage

	80% FIRE	50% WIND	80% EXTN	Combined Fire & Extn Coverage 80%
Triple A — Charles Bldg., 3601-27 S.W. 8th St.....	.293	.65	.48	.773
Triple A — Huntington Bldg.....	.115	.65	.48	.595
Triple A — Seybold Bldg., 1st Street Section.....	.25	.65	.48	.73
RIC-CB Seybold Bldg., Flagler Street.....	.842	1.15	.86	1.702
Martina Apts., Ordinary C.B. Const.....	.45	1.40	1.037	1.487
Castlereagh Apts., RIC-CB Const.....	.42	1.25	.929	1.369
Triple A — Reid Manor Apts., 1980-90 Bay Drive, Normandy Isle.....	.262	1.00	.734	.996
Frances Hansen, 2046-60 N.W. 2nd Ave. Ordinary C.B. Const.....	1.12	1.35	1.00	2.12

The combined total for fire and extended coverage averages \$13 to \$17 per \$1,000 of coverage, and ordinarily may be used for estimating purposes.

There are, of course, other forms of insurance such as, business interruption insurance, sprinkler leakage insurance, public liability and property damage insurance, etc., but with the exception of public liability and property damage the other forms of insurance are not generally carried.

insurance coverage is decided upon and the rates, although varying considerably, could probably be used as shown above for estimating purposes.

#### Collecting Insured Losses

In paying insured losses, such as fire or wind storm, the insurance companies are naturally interested only in actual losses and require sufficient proof to support your claim. Contractors' estimates are usually acceptable, except where it is difficult to determine actual loss. In some cases we have obtained letters from the fire department stating there was positive evidence of flame resulting from an electrical fire. In this instance, we were able to finally convince the insurance company that the loss resulted from fire, rather than electrical disturbances only, which was not covered by insurance.

In cases involving storm damage, we have obtained letters from painting contractors to establish the fact that there have been seri-

ous damages to paint on the exterior of the building, resulting from hurricane winds which also carry with them particles of abrasives that damage exterior surfaces.

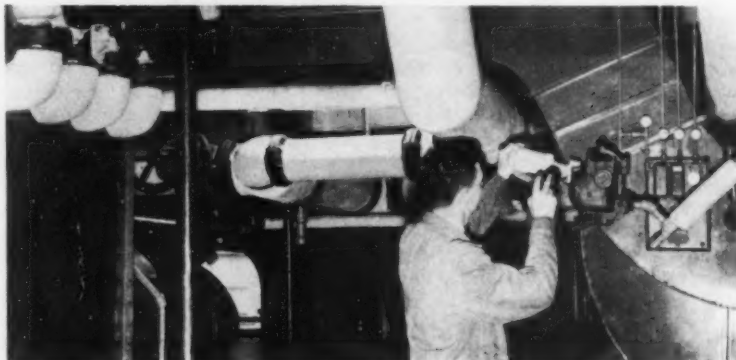
In conclusion, we'd like to submit the following list of tips that will save property managers time and any number of headaches.

**Use Deadlines.** Set deadline date for acceptances of any lease proposals.

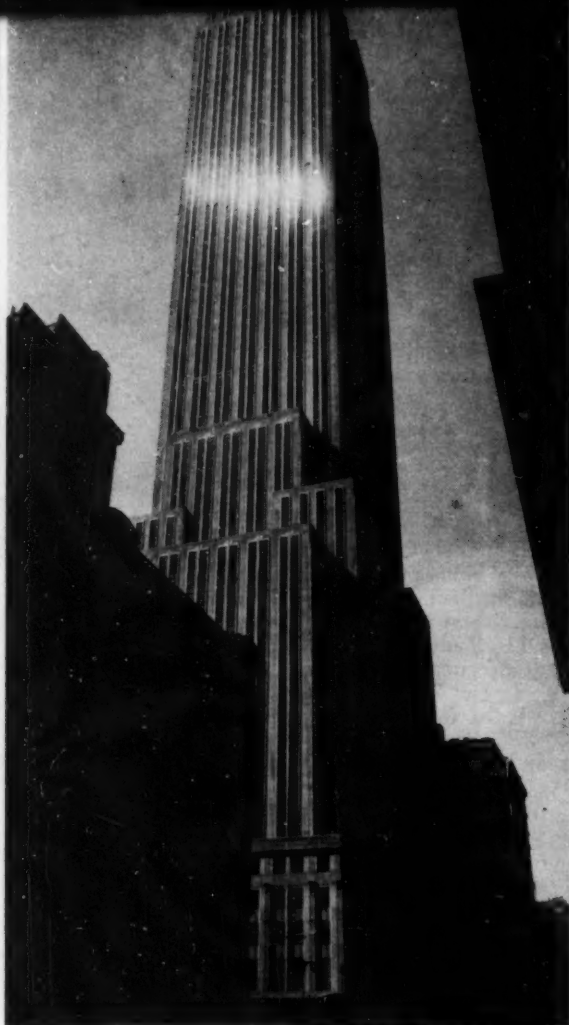
**Use Registered Letters.** When you want action from a tenant who is delinquent with rent (or in almost any other matter), send him a registered letter with return receipt requested.

**For Rent Signs Aid Collections.** Use lease forms that provide permission to put up FOR RENT signs when the rent is unpaid for seven days.

**Renewing with Old Tenant.** If you are having difficulty coming to terms with an old tenant for agreement on a new lease, it is often very good psychology to take several prospects over and show them the space.



Successful management requires experienced maintenance personnel and a keen knowledge of when and how to modernize to retain and enhance property value. Periodic inspections should be given to properties by a trained supervisor or the manager himself



# HOW WE SOLD THE EMPIRE

By CHARLES F. NOYES, *President*

Charles F. Noyes Company, Inc.  
New York City

Much has been written about the sale of the world's tallest office building — the Empire State. Now, nearly a year after the closing, here is the true story, told by the man who initiated the \$51,500,000 sale

**T**HE Empire story — the tale of how the Empire State Building in New York was sold — challenges the imagination of our best contemporary romanticist authors, but it is nevertheless a true story.

At the outset let me disclaim sole authorship of the story as will later become quite apparent. To fully appreciate the story, you must first realize that although I am now accredited with having accomplished the world's largest single real estate transaction, I am not really a real estate salesman at all.

My real estate activities over the past 15 years have been confined solely to appraisal work. Several years ago, in connection with my work, I was called in by the then owners of the Empire State Building as a real estate tax consultant. In connection with my duties as a consultant on this subject, I re-

quested, and obtained, a history of the earnings of Empire State from the time of its erection up to the time which I acted for them as a real estate tax consultant.

The tax problem upon which I had been consulted was amicably settled with the City of New York, and as a result I was requested to act as the tax consultant to Empire State, Incorporated, on an annual basis.

About 1949, another valuation problem arose in relation to the rental value of the telecasting rights from the tower of the Empire State Building. I think it most fortunate that to be made a member of the team of experts who worked on this problem.

At this time the National Broadcasting Company had a lease at \$50,000 per annum which gave them the sole right to telecast from the tower. Empire State, Incorporated, now believed that the

value of the tower was many times that amount considering the benefits to be derived from the possession of this monopoly. NBC disagreed with this contention and thought that their rental should be fixed at a much lower amount. The dispute moved inevitably toward arbitration and preparation was begun by the experts employed by Empire State to prove the validity of their claims.

I will not bore you with many of the technical advantages to be found atop the Empire State Building for telecasting purposes, but I would like to say that I learned through these conferences that height and location are the two most essential characteristics sought, and that when the zenith of height coincides with the epicenter of the world's greatest market, the optimum location has been found by the telecasters. Both of these qualities are to be found only

at the Empire State Building.

Finally, the controversy was solved. NBC relinquished its exclusive use of the tower and now, as a result, six major television companies hold leases with Empire State for the use of its 222-foot mast. Each pays the same rental for use of the mast plus space in the tower required for their equipment and personnel.

In addition to this intimate knowledge of the growth in the economic stature of the Empire State building by reason of television, many other facts came to my attention as a result of my appraisal efforts. I realized that the building had become fully occupied; that its gross income had more than tripled over a 10-year period, while its net income had grown to an even greater extent.

Other interesting facts about the building with which I became familiar through my appraisal work are the following: The building occupies a ground area of 84,000 square feet, which you will recognize as a very favorable asset in a location such as Fifth Avenue and 34th Street in New York City. The building reaches a height of 1,472 feet to the tip of the new television tower, with the first observatory at the 86th floor and the second observatory at the 102nd floor. It is the tallest man-made structure of any kind in the world. The total volume of the building is 37 million cubic feet.

The building has a rentable area of 2 million square feet; about 20,000 people work in the building and about 75,000 people visit it each day.

Empire State has two observatories open to the public; there were approximately 1 million visitors to the observatory in the last year. Empire State has completed air conditioning the lower forty floors of the building and further air conditioning is planned for the near future.

The building weighs about 730 million pounds. Strangely enough, however, this staggering sum is less than the weight of the dirt and stones excavated for its foundation. It takes about 14 tons of building to support each of its occupants. There is sufficient steel in the building to approximate the amount of steel necessary to lay a single track between New York and Toronto.

Contrary to popular belief, the Empire State Building does not "sway". Thorough scientific tests have revealed that in a wind of

100 miles per hour blowing for more than two hours, the Empire State Building will deviate from the vertical a maximum radius of less than one and one half inches.

In addition to all of the foregoing factual information, I also had one extremely important piece of information almost incredible in nature.

The late John Raskob, who, together with members of his family and close associates, owned most of the stock of Empire State Incorporated, died in the autumn of 1950.

John Raskob was a very wealthy man and his inheritance taxes were tremendous. John Raskob was a very charitable man, and his will provided for the formation of a foundation, the primary purpose of which was to endow Catholic Charities. John Raskob was, as all successful men must be, a strongly opinionated man. He had advised his executors to dispose of the Empire State Building after his death, in order to defray inheritance taxes, perpetuate his foundation, service his charities and provide funds for his legatees.

In addition, John Raskob had insisted that upon the sale of this property, the price obtained had to approximate \$50 million, all cash, and that when, as and if, such an offer was received, it was his advice that it be accepted. Slowly the realization came upon me that it was high time that this appraiser try his hand at brokerage, since I had at my disposal everything that a broker could want: a clear knowledge of the value of the land and the probable replacement cost of the building. I knew the cubical content, the rentable area, the income, the expenses and the probable price at which the property could be sold. All that was necessary was to find someone with \$50 million before the "cat got out of the bag".

Some months previous, through my appraisal experience, I had noted the real estate activities of a certain mid-western syndicate which seemed to have plenty of money and an abundance of courage. To meet these people, I enlisted the aid of the investment banking firm of Hemphill, Noyes, Graham & Parsons. Through Jansen Noyes, Jr., of that firm, I met Roger Stevens of Ann Arbor, Michigan. I went over my facts and figures with Stevens, and he told me that subject to verification, the syndicate consisting of Alfred Glancy, Ben Tobin and

himself, would be interested in this investment at the price quoted.

A few weeks elapsed when I heard that a new purchaser was competing for this investment. I called Roger Stevens in Detroit and told him that I thought it was imperative that an offer be made on this property without delay. I suggested that a substantial check be forwarded together with the offer so that I might relay it to the principal owners, the Raskob Estate, in Wilmington, Delaware. Stevens stated that he would be willing to do this provided the deposit gave him the exclusive right to acquire this property within a given period of time, in the event that the figures that I had given him could be verified from the books of record of the corporation.

At this point, a premonition on my part told me not to wait for the arrival of the promised letter with the deposit, but rather to immediately forward the offer on behalf of my client to Frank L. Garey, executor of the estate of John Raskob. In my letter I stated that I was in possession of a verbal offer on virtually the terms I knew would be acceptable to the estate, and asked them would they withhold any further negotiations in relation to the sale until I had the opportunity of formalizing my offer in writing and forwarding them a check as an exhibit of the sincerity of my client.

I received a prompt reply from Garey in which he agreed to withhold further action pending the receipt of my written offer. The very next day, I understand, an offer was declined in keeping with Garey's promise to defer further negotiations pending receipt of my formal offer.

The transaction involving the option took but a few days to complete, and within about a month's time a contract had been entered into between the Raskob Estate and my client, wherein the seller agreed to sell all of the stock of the predecessor owner, Empire State, Incorporated, to Stevens, Glancy & Tobin for a price which, when added to the outstanding mortgage, was equivalent to a \$50 million all-cash price for the property.

The day following the signing of the contract, the newspapers throughout the world announced the sale of the Empire State Building, but those of us who were intimately connected with the project knew that there was a long,



hard road ahead before the transaction could finally be completed. The financing which we had confidently expected to obtain without too much difficulty, based upon not only the physical assets incorporated in the building, but also upon its excellent earning picture, disappeared in a fog engendered by a combination of 1) the saturation of the funds available within insurance company portfolios for this type of investment and 2) the voluntary controls suggested to investors as an anti-inflationary measure by the Federal Reserve Bank and 3) the weakness of the Government Bond market. In addition to which the original buying group decided to syndicate their equity position.

Realizing that this gigantic job could not be effected in the period of time allotted between the signing of the contract and the closing of title, I made a pact with Roger Stevens, one of the buyers and a most astute and experienced real estate broker and Jansen Noyes, Jr., whereby we three would cooperate as co-brokers toward finding the necessary financing for this deal. The assistance rendered by both of my co-brokers in the

completion of the deal cannot possibly be over-emphasized. We sought financing to the extent of about 70% of the net purchase price, plus about \$1,500,000 in commissions, legal fees, and attendant closing expenses.

Many months went by while the inevitable day set for the closing, that is, December 1, moved closer and closer. Day after day I was called upon to deny rumors to the effect that the deal had fallen through. It would take me too long a time to outline to you, the various hardships and disappointments encountered on the way. Permit me to give you only the outline of the financing finally accomplished.

The land underlying the building was sold to Prudential Life Insurance Company, subject to their giving back a lease on the land, which, together with renewal options, totalled 99 years. Prudential also placed a first leasehold mortgage on the property. A second leasehold mortgage was obtained from the Raskob Estate and thus the total necessary financing was accomplished to the required extent.

Still the transaction was far

from completion since all of the equity money had not yet been subscribed. Once again, the road was long and difficult.

After receiving a commitment from Prudential to the effect that they would be willing to buy the land and to place a leasehold mortgage upon the property, a deferment from the original closing date of December 1 had to be requested from the Raskob Estate, in order to complete the intricate legal documentation involved. The estate agreed to an extension until the end of December, provided the minority stockholders received payment for their stock in advance of the final closing, and as of the date of the original closing.

In order to accomplish this, all of the syndicate members had to participate in a preliminary closing, which was held in the office of J. P. Morgan and Company. The subscription agreement clearly stated that in the event that all of the equity money was not subscribed as of that day, then that portion which had been subscribed would of necessity have to be returned to the other participants.

Early in the day of this preliminary closing, we still lacked almost \$3 million of the sum required to fill out the equity position. At that point the outcome of the deal was suspended in air by the slim thread of hope that a subscriber could be found within the period of just a few hours.

The Raskob Estate was asked to take over this equity position on the distinct understanding that they would be relieved of their investment at the earliest possible date. To my great relief and satisfaction, the Raskob Estate agreed to take over the unsubscribed financial position, and the preliminary closing was consummated successfully. Prior to the final closing date of December 21, the Raskob Estate was relieved of their position in the equity by the sale of that portion of the investment to interests identified with Colonel Henry Crown of Chicago.

On December 21, the final closing took place. The transfer required a 19-page agenda, outlining the course of action to be pursued by the legal representatives of some twenty investors, two insurance companies, three banks, and four title companies. All went smoothly at the closing. Then — 104 legal steps, 600 legal documents, and 5½ grim hours later — the sale of the world's largest skyscraper was consummated.



**Today's Best Buy!**

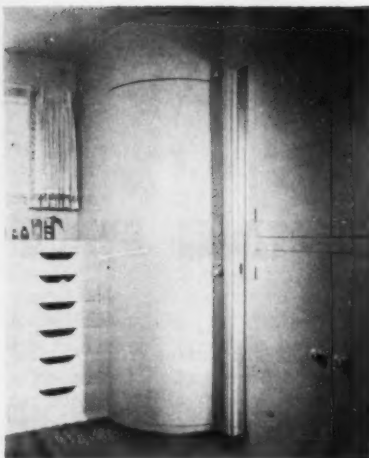
**FOR EXTERIOR SIDING**

Here's how you save with Exterior plywood (EXT-DFPA®). Costs no more—often less—per square foot than other materials. Can be applied up to one-third faster. Less waste, fewer nails. Think of the savings on a single job. Multiply that by every home you build next year. Exterior plywood is durable. Has completely waterproof bond. Adaptable to any design. Won't split or crack. Ideal for gables, soffits, trim. Can be used as combined siding sheathing. More than ever it's today's best buy.

© Douglas Fir Plywood Assn., Tacoma, Wash.

**Douglas Fir Plywood**

AMERICA'S BUSIEST BUILDING MATERIAL



## STOWAWAYS FOR PROSPECT APPEAL

Places to put things have strong sales appeal. Here are four ideas for built-ins you may want to use in your houses and rental units



This practical storage idea first appears as a rounded wall in the bedroom. But open it and you discover a pie-shaped tier of shelves which swings out to reveal three drawers and cupboard



This demonstration house features high windows in the living room which afford space for an around-the-corner bookcase and built-in desk. Extra cabinets are in corner under the desk

PHOTOGRAPHS BY ROBERT C. CLEVELAND



Additional wall space is provided in this room by including a chest of drawers in the closet, storage below hangers for suits. Longer robes and coats are in section hidden by right door



To put extra appeal in your houses, here's a feature that will make prospects stop and look. Hideaway steps glide out from under the bookcase. They are latched by the concealing door

use the services offered and . . .



## MAKE YOUR ADVERTISING PAY

I WROTE this ad, and saw it appear the next morning, looking its worst.

### THREE BEDROOMS

Three bedroom home in the South End, with living room, bath, kitchen, forced air gas heat, full basement. Only ten years old.

J. K. Jones Realty  
157 High Street  
MA 4997

I called on Jones late on the day of publication and found that possibly three calls had resulted from the ad. Jones wasn't happy, but he was willing to "give it another try." He told me he had an appointment, so he'd have to hurry.

He flipped through the listing book and said, "Here's one I ran last week. Let's give it another try. It's on Belgrove, down by Linmark school. Two bedrooms, nice bath up with lavatory down, basement, garage . . . Price? No, let's keep 'em guessing. I think that guy's going to come down anyway."

Next day? Same uninspired ad, same meager results, same disappointment. I might add, more money and time wasted.

About a month later, I called on B. K. Benson, and wrote this ad from the information he gave me.

### LEISURE? SURE!

Your after work hours will be pleasant in this home. Let me tell you about it: It's just a block from Appling Park, and it has an 'almost' park of its own. The lot is a huge 100x150 feet, beautifully landscaped with graded lawn, shrubs (they close the lot off on two sides) and a BIG oak shade tree, along with two smaller ones. Inside you'll have two large bedrooms (with plenty of closet space) and a tiled bath upstairs. On the main floor, there is a bedroom and lavatory; a 22 foot living room with dining space;

By ROGER C. PERRY

American Kitchen. For winter time leisure, there's a big, full basement just waiting to be made into a recreation room. There's more to tell, but I'd like to show you. Call me today, and you can see it tonight. By the way, you need \$3,000 to handle this one.

B. K. Benson Real Estate  
112 South Main Street  
MA 4509 or MA 4510

In talking to Benson about the house he advertised, I found it to be the same house advertised by Jones a month before. Jones had lost the listing, and Benson had gotten it. As I walked into his office, he said he'd been thinking about me. He believed he'd give this house more than the 'usual two inches,' for he thought it an exceptional buy. We sat, discussing the house and the ad as it should appear. As he talked, I outlined the ad, and he said to run it.

According to Benson's carefully kept records, the ad pulled a sure 21 calls. The house was sold within three weeks. It was not advertised a second time, so the commission on the sale was over 80 times the cost of the ad!

Let it not be thought that all ads will pull so well, or even that Benson's ad was especially well written. But, it can be safely said that it was better by far than the incomplete ads written by and for Jones. And it was easy to determine the pulling power by searching through Benson's records.

Let's go back a little. My interest in real estate dictated my asking for the real estate accounts when I went to work for the Grand

Forks, North Dakota *Herald's* classified department. I had done a little classified selling before, so I wasn't new at the game. I was determined to write better classifieds than many I'd seen. It takes more than an active imagination to write acceptable ads. I found three factors which could be combined to make good real estate advertising . . . advertising that pays. Those factors are:

1. Willingness of the broker (or someone on his staff) to spend a reasonable amount of time and effort on his advertising.
2. Willingness of the advertising salesman to spend time and effort writing the advertisements of real estate offerings.
3. The willingness of both broker and salesman to use the various advertising services available to them.

Let's take a closer look at these three factors. Are you using all three to get the most from your advertising dollar?

1. You should spend a set time each day to your advertising plans, problems and records. Benson, typical of many successful brokers, devotes the first 15 or 20 minutes of the day to advertising. He plans the day's ads; he keeps records of past ads. These records always contain a copy of the ad, and the results from that ad, (results being measured in calls . . . remember, ads can't close sales). The day I called on Benson for the 'Leisure' ad, he had done his planning, and was ready to talk business with me. In addition, planning ahead must be done not only for today but for next week and next month.

2. The advertising salesman, usually a harried but able person, needs to spend time with the ads. If he is unwilling to do so, the broker can easily force the issue. In most cases, the advertising salesman is a trained advertising man. A broker can help him (at least

(Please turn to page 40)

Brushing your advertising off with a few time-worn descriptions is money wasted. But your return can far outweigh the expense if you devote a few minutes to thought and employ the help of your classified salesman and of available advertising services



# TV System for Apartments

By LEO S. HERZOG

Edgar A. Levy Management Corporation  
New York City

IT may be of interest to some owners of fireproof elevator apartment houses to know how a master television antenna was installed at no cost to the owner, and without defacing or injuring the building.

For a number of years there have been specialists who have undertaken the installation of master antennae for which the tenants desiring their use paid an installation charge of from \$40 to \$70 an apartment, depending on whether the system was amplified or not, plus a small maintenance charge thereafter. All that was required of the landlord was his consent to have work proceed.

In the course of installing these systems, it was found that appreciable physical injury was done to most of the buildings. Often, the appearance of many passenger elevator halls, vestibules, and numerous other places were marred and damaged. For example, roof flashings, skylights, and outside walls had holes punched in them which could cause leaks.

Because of the potential hazard to a large apartment building under our management, we consistently resisted the installation of a master aerial system until we could find or develop a method which would preserve the appearance and physical property of the entire premises, and avoid faulty installation, giving at the same time satisfactory reception.

After making a study of the building, the conclusion was reached by Amplitel, Inc., electronics specialists, and our organization, that the only feasible way of meeting our requirements was:

1. Obtain the approval of the Department of Housing and Buildings to permit television cables to be run down a corner of the service elevator shaft. We were required to give our assurance that no amplifiers, vacuum tubes or electronic equipment would be placed in the elevator shafts, bulkheads and elevator machinery rooms, and that no electronic signals would be used for the elevators.

2. Procure the cooperation of the New York Telephone Company and have them withdraw

when requested, and then re-install, the existing telephone wires, together with the co-axial cable required for the apartment wanting a television connection. A representative of the New York Telephone Company and one from Amplitel, Inc., were to work as a team to accomplish this.

In order to clarify this unusual procedure, it should be explained that an empty  $\frac{1}{2}$ " conduit had been installed between a closet in each apartment and the service elevator hall when the building was erected. Over the years, this conduit had been used exclusively by the New York Telephone Company. Now the conduit is doing double duty as it carries not only the original telephone wire but a small co-axial cable for television.

Amplitel, Inc., after being convinced that it was practical to comply with our requirements, offered to undertake the installation with-

out cost to us, and without assurance that any specific number of tenants would pay 1) an initial installation charge of \$65 and 2) an annual maintenance charge of \$10 per annum thereafter. Nevertheless, they went ahead and installed their seven antennae (one for each channel specially designed to receive that channel), the necessary amplifying system, and the vertical risers, etc. Having spent several thousand dollars first, they then installed a demonstration set in the entrance hall to show the tenants the kind of reception that they would be paying for. Of course, the amplified reception was superior to that which most of the tenants had been receiving with their makeshift antennae (never approved by the landlord). Consequently, a large percentage of those who owned television sets immediately agreed to pay for the improved system and are happy.



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**FOR SUBFLOORING**

Look beyond the bill of materials for the full story on subfloor costs. It's the *applied* costs that count. Inexpensive PlyScord® grade fir plywood cuts labor costs in half... saves on nailing... cuts expensive waste... speeds application of finish flooring. Plywood subfloors are firm, solid! Won't cup or squeak. Ideal for underlayment, too. Remember, dollar for dollar, practical plywood out-values them all.

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**Douglas Fir Plywood**

AMERICA'S BUSIEST BUILDING MATERIAL

## Law Says

(Continued from page 14)

That does the work. For a long time the law was that when the title was in one grantor you could not reserve a life estate in the grantor and the spouse. This was logical because an estate cannot be "reserved" in a stranger. In the case of *Saunders vs. Saunders*, 373 Ill. 302, the court sacrificed logic for experience and held that notwithstanding title was in one grantor, a life estate could be reserved in the grantor and spouse.

Now, don't forget your fire insurance. Remember that the policy becomes void upon the transfer of the title without the consent of the insurance company.

The word "natural" life is not necessary. This is a survival from the days when there was a "natural" death and a "civil" death. A civil death taking place where a person was convicted of a felony, his property escheating to the crown, and he was considered dead for all civil purposes.

I don't know just what "without impeachment for waste" adds. That it is desirable to use the phrase I can certify. It would be quite

a job to run it down and tell you exactly what it accomplished.

A MAN owned a six flat, subject to a \$20,000 first, and a \$10,000 second. When the first came due he tried to get an extension but the holder wanted his money. The owner went to the holder of the second and asked him to subordinate it to a new first. The holder refused but offered \$5,000 for a quit claim deed. This was a neat little trick because the building was worth \$40,000, and he thought he had the owner in a dilemma where he would have to accept. The owner didn't know what to do. The holder waited patiently for the showdown. It didn't come. The holder checked the records to see how things stood. Much to his surprise he learned that there was a new first and the Chicago Title & Trust Co., had issued a first mortgage policy.

How could this come about?

By the operation of a simple principle of law, that a mortgage to refinance a prior mortgage is entitled to the priority of the refinanced mortgage. *Holt vs. Sears Roebuck*, 123 Conn. 232.

THERE have been many occasions where a husband has deserted his wife in the old country, or in some other state. In many cases he has remarried without obtaining divorce. Then he has acquired real estate and died. The first wife has a dower interest in the real estate, the second wife has nothing. Often times the man has sold and conveyed real estate. The second "wife" joining in the deed. This means nothing, because according to law she is not his wife at all.

As to property that the man has sold, the wife must assert her dower within seven years after his death. In such a situation the Short Period Limitation Act applies. Not that I begrudge the wife her dower, but it's a good thing that dower claims cannot clutter up a title for 20 years. *Whiting vs. Nicholl*; 46 Ill. 230.

## Advertising

(Continued from page 38)

the new salesman) by being patient during the initial contacts. The broker can suggest to the salesman that he keep a notebook of successful ads. He can remind the salesman to use that notebook often. The salesman needs little urging, however . . . his business is to write and sell successful ads. The salesman can get help from the various services, which compile successful ads and ideas.

3. The services: Every broker should be certain that the salesman uses all the services at his disposal. By using them regularly, he has at his fingertips the living record of the best advertising of the day.

Often the broker can (and does) complain that the salesman is not using all the services at his command. But how about the broker? Does he use the services available to him? Does he read the advertising articles in his magazines, including the very worthwhile articles in this magazine? If he reads them does he use them to make his advertising more productive?

It takes a combination of all three factors to produce selling ads. The broker contributes his knowledge of real estate in general, and the property being advertised in particular; the salesman contributes his knowledge of advertising; the creators of the services contribute copies of successful ads from the whole country.

Why not use all three? It pays.



**Today's Best Buy!**

**FOR ROOF SHEATHING**

Add up all the costs! Inexpensive PlyScord® grade Douglas fir plywood actually saves you money. Means better construction, too. FHA now accepts  $\frac{3}{8}$ " plywood for 24" rafter span. Big panels cut application costs by 25% and more. Plywood reduces waste, requires fewer nails. Easy to cut, fit, fasten. Fir plywood is the perfect base for finish roofing. Dollar for dollar, practical plywood out-values them all.

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**Douglas Fir Plywood**

AMERICA'S BUSIEST BUILDING MATERIAL

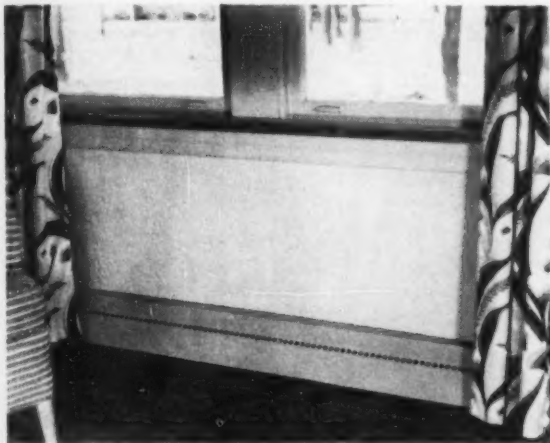
## Product Progress

(Continued from page 12)

Perf-A-Tape wings or flanges on each side for fast application. Available in eight-foot lengths, the Perf-A-Bead is applied with Perf-A-Tape cement.

### Thermo-Base Warm Air Baseboards

Gerwin Industries of Michigan City, Indiana, has developed a simplified system of base-board warm air heating. Called Thermo-Base, the units look like baseboards, but have a row of holes through which



warm air is evenly distributed. They are to be installed in perimeter walls of each room, usually under windows. The system is completely unitized. Made in three sizes — eight, five, and three feet — It is said to be well-suited to small pipe systems.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, AND CIRCULATION REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233)

OF NATIONAL REAL ESTATE AND BUILDING JOURNAL published monthly at Cedar Rapids, Iowa, for October 1, 1952.

1. The names and addresses of the publisher, editor, managing editor, and business manager are: Publisher, Stamats Publishing Company, Cedar Rapids, Iowa; Editor, Ralph H. Clements, Cedar Rapids, Iowa; Managing Editor, Harry B. Fawcett, Cedar Rapids, Iowa; Business Manager, Herbert S. Stamats, Cedar Rapids, Iowa.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.) Stamats Publishing Company; Herbert S. Stamats; Isabel R. Stamats; Guaranty Bank & Trust Co., Trustee for Sally Stamats Hedges; Guaranty Bank & Trust Co., Trustee for Peter O. Stamats; Delbert R. Ashby; Georgia M. Beardsley; Lenore K. Chehak; Charles S. Day; Edwin C. Evans; Mary Zoe Figge; Edna Westfall Foster; Irma T. Holloway; A. C. Stewart; Forrest W. Stewart; United Casualty Company, all of Cedar Rapids, Iowa.

3. The known bondholders, mortgagees, and other security holders, owning or holding 1 percent or more of the total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. Paragraphs 2 and 3 include, in cases where the stock holder or security holder appears upon the books of the company as trustee or in other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

HERBERT S. STAMATS, President.

Sworn to and subscribed before me this 29th day of September, 1952.

(SEAL)

D. S. LUPTON

(My commission expires July 4, 1954.)

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## Among Ourselves

**Now the public housers are calling their activity a "crusade."** In line with the typical government theme, "We can do it better than private industry," Herman T. Stichman, commissioner of New York state's housing, says, "Urban redevelopment and public housing is not a job alone but a calling . . . a call to battle that Americans may have the physical habitat fit to nurture free men!" He made this statement to 1,000 public housers in Buffalo last month at the convention of the National Association of Housing Officials.

**But we of private industry say to Stichman, "Look at the record!"** As Dr. Allen A. Stockdale, head of the National Association of Manufacturers, puts it, ". . . the most impressive examples of real slum clearance are those achieved by private organizations." Perhaps the public housers should count their chickens before they hatch "crusade."

**It's the SIR Industrialist of the Year award for K. T. Keller, head of the Chrysler Corporation.** Keller, 40-year veteran of the auto industry and now director of the government's guided missiles committee, will receive the coveted trophy from movie magnate Louis B. Mayer at the SIR dinner, one of the highlights of the NAREB convention.

**Real estate builders having a hard time finding 4% money are raising envious brows at retail store managers in Elgin, Illinois.** The Union National Bank and Trust Company is offering to lend money at 1%, providing the proceeds are used for modernization of Elgin retail stores. The bank president says, "Anything which benefits the city will eventually benefit our bank."

**We're lucky that we private citizens still have a voice in the government.** Things are so bad in England that some landlords can't even give away their rental properties . . . tenants would rather pay rent than own the houses. A Dartmouth landlord was lucky, though — he finally succeeded in giving away one of his 17 properties to its tenant.

**Builder of the Year in the Los Angeles area — that's the honor recently bestowed upon Fritz B. Burns by 500 of his fellow citizens.** Burns, builder of several big housing projects in the Los Angeles area and a prominent realtor, was honored at a special banquet by the city's realtors, home builders, and civic leaders.

**Realtors who fear a slackening of demand for store space in well-located shopping centers will be encouraged by the words of Irving Berger, builder of 10 large store developments on Long Island.** Berger says, "Despite predictions of overbuilding of store centers, the market for properly designed store space is still very much alive and will continue apace with steadily expanding private home building activity."

**Prosperity which the nation is enjoying today isn't likely to continue indefinitely at the present pace, says L. Douglas Meredith, executive vice president of the National Life Insurance Company of Montpelier, Vermont, speaking before the Mortgage Bankers Chicago convention.** This means that mortgage lenders should carefully scrutinize their internal servicing operations so that the loans on their books can be kept in a strong current condition.